

**A CRITICAL ANALYSIS OF MONITORING AND EVALUATION SYSTEMS FOR
SMALL AND MEDIUM ENTERPRISES: WITH SPECIFIC REFERENCE TO
SMALL AND MEDIUM ENTERPRISES DEVELOPMENT AGENCY OF NIGERIA
(SMEDAN)**



**UNIVERSITY of the
WESTERN CAPE**

BY

EMMANUEL OLATOMIDE IDEMUDIA ILORI

STUDENT NUMBER: 3265326

**UNIVERSITY of the
WESTERN CAPE**

**A THESIS SUBMITTED IN FULFILMENT OF THE REQUIREMENT FOR THE
DEGREE PHILOSOPHIAE DOCTOR (PHD) - PUBLIC ADMINISTRATION**

**SCHOOL OF GOVERNMENT, FACULTY OF ECONOMIC AND MANAGEMENT
SCIENCES, UNIVERSITY OF THE WESTERN CAPE, SOUTH AFRICA.**

SUPERVISOR: PROFESSOR ISIOMA UREGU ILE

DECEMBER 2017

DECLARATION

I, Emmanuel Olatomide Idemudia Ilori, hereby declare that this dissertation entitled “a critical analysis of monitoring and evaluation systems for small and medium enterprises: with specific reference to Small and Medium Enterprises Development Agency of Nigeria (SMEDAN)” for the award of doctoral degree (PhD) in Public Administration submitted at the School of Government, Faculty of Economics and Management Science, University of the Western Cape, South Africa was done by me from March 2015 to December 2017. Apart from references to other work which were duly acknowledged, this work has never been submitted either in whole or in part for the award of any other degree at any university or tertiary institution of higher learning.

Student No: 3265326

Cape Town

December 2017.



DEDICATION

This research work is dedicated to my parents, Mr Joseph Babatunde Ilori and Mrs Regina Abass Ilori, who inspired me with the value of education, the ambition to succeed in life, discipline and above all, for your delightful support, love, prayers and guidance over the years.



UNIVERSITY *of the*
WESTERN CAPE

ACKNOWLEDGEMENT

Firstly, I appreciate the almighty God for the privilege and grace given to me to complete this work. My profound gratitude to my supervisor, Professor Isioma Uregu Ile for your support, inspiration, guidance, encouragement and the significant role-played throughout the course of this research work. I candidly thank you for nurturing my academic growth on this journey thus far. To Professor Charles Allen-Ile, I want to sincerely thank you for your words of encouragement, support and guidance during the course of my studies. Also, to my loving parents, Mr Joseph Babatunde Ilori and Mrs Regina Abass Ilori for your prayers, moral and kind support to complete my doctoral degree. Dad, you taught me never to relent in life but have focus, dedicated, hardworking and prayerful, as well as to believe in my dreams. I salute you for your inspiration and making my dream a reality.

Secondly, to my siblings, Blessing, Oluwasegun, Oluwabunmi, Temidayo, my niece, my Nephew-Precious and Godswill for your prayers and support throughout my studies. To Joseph Oyakhilome Oluwapamilerin Ilori, I know it has not been an easy task for you due to my absence as a result of my research studies. I salute and appreciate you a lot. To other good family members, who played significant role in the course of my studies, most especially Dr Ayodele Ilori and Mr Banji Ilori for your kind and moral support. Thank you very much. A special gratitude to all my lecturers and supporting staff at University of the Western Cape, most especially Dr Leon Pretorius, Dr Bayat Abdullah, Dr Mulugeta Dinbabo, Lynette Festers, Priscilla Kippie, Felicia Petersen, Sadicka Cassiem, Leolyn Jackson, Hilda Andrews, Candice Beukes and others for your kind support. I thank you all. My sincere appreciation to Professor Silviu Rogebete of the University of West Timisoara, Romania and Dr Dirk Brand of Stellenbosch University, South Africa. I want to thank you very well for the role and impact played in the course of my doctoral studies. I am indeed grateful for your support.

Lastly, I want to extend my gratitude to folks and good friends who have supported and assisted me in the course of my studies. A friend indeed is truly a friend in need; I sincerely want to thank Lavona Gilbert, most especially, a note of thanks to Beverley Adonis for your kind support and for all the errands in the course of my studies. Likewise, I want to acknowledge Mary Adeniyi, Dorcas Okeyere and Eldud

for your assistance. It means a lot to me. I sincerely appreciate your enormous support. To Monica Oghenekhome for your input and significant impact throughout my doctoral studies, I appreciate your time, effort and significant contribution. Thank you very much. God bless you all.



UNIVERSITY *of the*
WESTERN CAPE

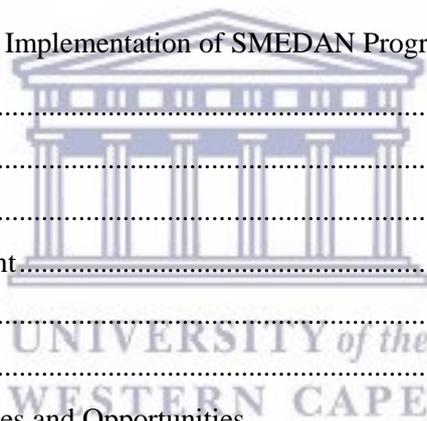
TABLE OF CONTENTS

Declaration.....	ii
Dedication.....	iii
Acknowledgement	iv
List of Tables	xi
List of Figures.....	xii
Keywords.....	xiv
Clarification of Acronyms	xv
Abstract.....	xix
CHAPTER ONE: LANDSCAPE OF THE STUDY	1
1.1 Introduction.....	1
1.2 Background of the Study.....	2
1.3 Statement of the Research Problem	5
1.4 Research Question.....	6
1.4 Objectives of the Study	7
1.5 The Study Area	7
1.7 Definition of Terms and Concepts	9
1.7.1 Monitoring	9
1.7.2 Evaluation	10
1.7.3 Development.....	11
1.7.4 System.....	12
1.7.5 Small and Medium Enterprises	12
1.8 Outline of the Study	13
1.9 Chapter Summary	15
CHAPTER TWO: LITERATURE REVIEW	17
2.1 Introduction.....	17
2.2 Overview of Small and Medium Enterprises	17
2.3 Conceptual Framework	19
2.3.1 Knowledge Management Theory.....	19
2.3.2 Stakeholders Theory	21
2.3.3 Agency Theory.....	22

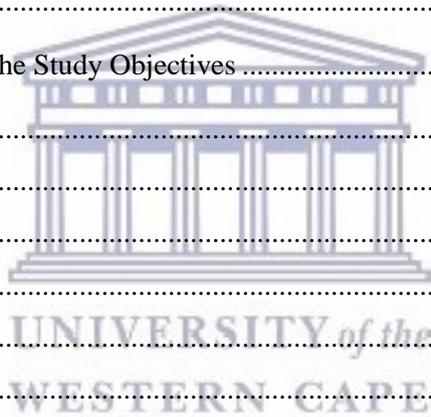
2.4	Small and Medium Enterprises -A Synopsis.....	22
2.4.1	Global Perspective	22
2.4.2	Sub Saharan African Perspective.....	24
2.4.3	Nigerian Perspective	25
2.5	Conceptualizing Small and Medium Enterprises	26
2.6	The Historical Development of Small and Medium Enterprises in Nigeria	34
2.7	The Contribution of SMEs Development in a Nation’s Economy.....	37
2.8	National Policy on Micro Small and Medium Enterprises (MSMEs) in Nigeria.....	43
2.9	Role of Government in Incubating SMEs Development in Nigeria	48
2.9.1	Previous Efforts by Government to Support the SME Sector.....	49
2.9.2	Current Efforts by Government to Stimulate the SME Sector.....	54
2.10	Concept of Monitoring and Evaluation.....	58
2.10.1	Purpose of Monitoring and Evaluation	60
2.10.2	Monitoring and Evaluation in the Policy Process	62
2.10.3	Practical Steps in Public–Policy Monitoring and Evaluation	63
2.11	Selected Legislative and Regulative Frameworks for SMEs Development in Nigeria.....	65
2.11.1	The Constitution of the Federal Republic of Nigeria.....	65
2.11.2	Nigerian Investment Promotion Commission.....	66
2.11.3	Corporate Affairs Commission	67
2.11.4	Industrial Training Funds.....	68
2.11.5	National Economic Reconstruction Fund	69
2.11.6	Microfinance Development Policy and Legislative Framework.....	69
2.11.7	Directorate Act Cap 250 1989 (Gazette No 61, 1989).....	70
2.12	Problems Associated with the Development and Growth of SME Sector in Nigeria.....	71
2.13	Historical Background of Small Medium Enterprises Development Agency of Nigeria	75
2.14	Chapter Summary	78
CHAPTER THREE: GLOBAL PERSPECTIVE OF SMEs LEGISLATIVE AND INSTITUTIONAL POLICY FRAMEWORKS.....		79
3.1	Introduction.....	79
3.2	Overview of Small Medium Enterprises Sector in selected countries	80
3.2.1	Australian SME Sector	80
3.2.2	Overview of Canadian Small Medium Enterprises Sector	90
3.2.3	Overview of the Malaysian Small Medium Enterprises Sector	100
3.5.1	Classification of Small Medium Enterprises in Malaysia.....	102

3.2.3	Overview of South African Small Medium Enterprises Sector	107
3.8	Rationale for the Development of Small Business in South Africa	109
3.9	Programmes that Support SMEs Development in South Africa	109
3.10	Government Intervention to Small Business Development	112
3.10.1	Department of Small Business Development	113
3.11	Insights from Cross- Country Comparison	115
3.12	Chapter summary	117
CHAPTER FOUR: RESEARCH DESIGN AND METHODOLOGY		120
4.1	Introduction	120
4.2	Research Philosophy	120
4.3	Research Design.....	121
4.4	Purpose of Research.....	124
4.5	Research Methodology.....	125
4.5.1	Qualitative Research Methodology.....	127
4.5.2	Justification for Qualitative Research Approach	129
4.5.3	Limitations of Qualitative Research Techniques	130
4.5.4	Quantitative Research Methodology.....	131
4.5.5	Justification for Quantitative Research Approach	132
4.5.5.1	Characteristics of Quantitative Research	133
4.5.6	Limitations of Quantitative Research Techniques	134
4.5.7	Avoiding Shortcomings using Qualitative and Quantitative Methodologies.....	134
4.6	Data Collection	135
4.6.1	Data Collection Instruments.....	135
4.6.2	Questionnaires.....	136
4.6.2.1	Characteristics of Questionnaires.....	137
4.6.3	Interviews.....	137
4.6.4	Document Analysis	139
4.7	Population and Settings.....	140
4.8	Research Sample	141
4.9	Validity and Reliability of the Study.....	143
4.10	Ethical Approval and Consideration of the Study.....	145
4.11	Delimitation of the Study	146
4.12	Data Analysis Procedures	146

4.13	Chapter Summary	147
CHAPTER FIVE: DATA FINDINGS AND ANALYSIS ON SMEDAN M&E FOR IMPROVED OVERSIGHT AND EFFICIENCY.....		
5.0	Introduction.....	148
5.1	Exploring the Oversight Function and Accountability within SMEDAN M&E	148
5.2.	Institutional Profile to Support Accountability and Effectiveness.....	155
5.3	Accountability for Monitoring and Evaluation Efficiency.....	158
5.4	SMEDAN Framework for Transformation and Effectiveness.....	162
5.5	Chapter Summary	186
CHAPTER SIX: IMPLEMENTATION OF SMEDAN PROGRAMMES IN EVALUATING THE SMALL MEDIUM ENTERPRISES SECTOR		
6.0	Introduction.....	190
6.1	Implementation of SMEDAN Programmes in Developing SME Sector.....	190
6.2	Emerging Insights on the Implementation of SMEDAN Programmes.....	191
6.2.1	Appropriateness	192
6.2.3	Relevance.....	192
6.2.4	Leadership Commitment.....	193
6.2.5	Stakeholders Commitment.....	193
6.2.6	Communication Synergy.....	194
6.2.7	Financial Commitment.....	194
6.3	Implementation Challenges and Opportunities.....	195
6.4	Emerging Insights from Small Business Owners and Entrepreneurs.....	195
6.5	Participatory Monitoring and Evaluation.....	211
6.6	Features that Support Participatory Monitoring and Evaluation.....	213
6.7	Chapter Summary	214
CHAPTER SEVEN: DISCUSSIONS ON MONITORING AND EVALUATION SYSTEM FOR SMEs DEVELOPMENT IN NIGERIA		
7.0	Introduction.....	217
7.1	Policy Monitoring and Evaluation	217
7.2	Emerging Insights from Policy Monitoring and Evaluation in Nigerian Context.....	223
7.3	The Roles Embedded in the National Monitoring and Evaluation Framework.....	227
7.4	Reporting Layout for Ministries, Department and Agencies	230



7.5	Micro Small and Medium-Sized Enterprises	231
7.6	Understandings Results Chain Activities Embedded in SMEDAN	232
7.7	Institutionalising Monitoring and Evaluation System in SMEDAN.....	238
7.8	Synopsis of Monitoring and Evaluation System from South African Perspective	240
7.9	Results - Based Monitoring and Evaluation for SMEDAN	244
7.10	Developing Monitoring & Evaluation Framework for SMEDAN.....	249
7.11	Discussions of Monitoring and Evaluation Framework Designed for SMEDAN	262
7.12	Discussions of the Result-Chain Analysis Designed for SMEDAN	263
7.13	Discussions of the Score-Sheet Designed for Monitoring and Evaluation Programme.....	264
7.14	Discussion of Result Based Monitoring and Evaluation.....	265
7.15	Chapter Summary	266
CHAPTER EIGHT: CONCLUSION AND RECOMMENDATIONS		269
8.0	Introduction	269
8.1	Concluding Remarks of the Study Objectives	278
8.1.1	Objectives 1 and 2.....	278
8.1.2	Objective 3	279
8.1.3	Objective 4	280
8.1.4	Objective 5	281
8.1.5	Objectives 6	281
8.2	Recommendations.....	282
8.2.1	MSMEs Policy Improvement and Implementation.....	282
8.2.2	Institutional Profile that Supports Accountability and Responsibility.....	284
8.2.4	Oversight Functions for Service Improvement within SMEDAN and SME Sector	285
8.2.5	Institutionalising Results-Based Monitoring and Evaluation within SMEDAN.....	287
8.3	Future Research.....	289
References.....		290



LIST OF TABLES	PAGE NO
Table 2.1: Structure of small and medium enterprises sub-sector in Nigeria.....	31
Table 2.2: Definition of SMEs.....	33
Table 2.3: Share of SME sector to employment generation in some states in Africa.....	42
Table 2.4: Basic planning template for evaluation purposes.....	64
Table 3.1: Definition of small and micro medium enterprises in Australia.....	81
Table 3.2: Selected industry by sector and business size in Australia.....	82
Table 3.3: Employment Placement by Business Sector in Provinces, 2012.....	92
Table 3.4: Number of Canadian businesses by size and number of share.....	106
Table 3.5: Number of Establishment by SME sector in Malaysia.....	101
Table 3.6: Classification of SMEs in Malaysia.....	102
Table 5.1: Staff capacity – age breakout.....	156
Table 6.1: Age breakout of respondents.....	196
Table 6.2: Respondents Awareness of other Key Relevant Institutions Established by Government to Compliment SMEDAN Programmes and Initiatives.....	209
Table 7.1: Nigeria NV20:2020 Monitoring and Evaluation Framework.....	226
Table 7.2: Monitoring and Evaluation Functions Matrix.....	229
Table 7.3: Summary of SMEDAN Entrepreneurship Training and Sensitization Programmes in 2010.....	236
Table 7.4: Flowchart of how GWM&E System Envisioned Outcomes should be achieved.....	240
Table 7.5: The features of results-based monitoring and evaluation of programmes.....	246
Table 7.6: A comprehensive Monitoring and Evaluation Framework for SMEDAN.....	257
Table 7.7: Monitoring and Evaluation Programmes/ Projects Score-Sheet for SMEDAN.....	258

LIST OF FIGURES	PAGE NO
Figure 1.1: SMEs sectoral distribution in Nigeria.....	4
Figure 1.2: SME contribution to formal country employment.....	5
Figure 1.3: Map of Nigeria indicating study location.....	8
Figure 2.1: The relationships between stakeholder’s theory concepts.....	21
Figure 2.2: International Finance Corporation Model	47
Figure 3.1: Contribution of small, medium and large businesses to the Australian economy.....	83
Figure 3.2: The size of private employment.....	91
Figure 3.3: SMEs segment of Malaysian economic sector	101
Figure 3.4: New Small Medium Enterprises Corporation Malaysia Development Framework.....	105
Figure 4.1: Research Process and Procedures.....	122
Figure 4.2: Logic of research.....	123
Figure 4.3: Verification strategy.....	145
Figure 5.1: Oversight Function and Accountability Tools for SMEs Sector.....	150
Figure 5.2: SMEDAN Oversight Structures.....	152
Figure 5.3: Staff capacity- gender breakout.....	156
Figure 5.4: Educational Qualification	157
Figure 5.5: Departments Responsible for SME Efficiency and Transformation within SMEDAN...	159
Figure 5.6: SMEDAN Frameworks for the Development of the SME Sector.....	163
Figure 5.7: Summary of SMEDAN Entrepreneurship Training Programmes in 2012.....	167
Figure 5.8: Summary of SMEDAN Entrepreneurship Training Programme in 2010.....	167
Figure 5.9: Intervention Funds with other stakeholders in the Transformation of MSME sector.....	171
Figure 5.10: Institutions SMEDAN partners with, to transform the MSME sectors in Nigeria.....	172
Figure 5.11: Bank of Industry Funds Approval procedures.....	176
Figure 5.12: CBN Funds for MSME Transformation and Funds Utilised thus far.....	178
Figure 5.13: Effective Implementation of MSME National Policy Framework by SMEDAN in developing SME Sector in Ondo State, Nigeria.....	180

Figure 5.14: Monitoring and Evaluation system embedded in SMEDAN for improved SME sector.....	183
Figure 5.15: Monitoring of SMEDAN Beneficiaries by Monitoring and Evaluation Department.....	185
Figure 6.1: Gender Breakout of Respondents.....	196
Figure 6.2: Educational Qualification.....	197
Figure 6.3: Trade and Business Classification.....	198
Figure 6.4: Business/Trade Years of Experience.....	199
Figure 6.5: Categorization of Monthly Business Revenue.....	200
Figure 6.6: Awareness of SMEDAN Existence by Small Business Proprietors.....	201
Figure 6.7: Major challenges inhibiting Policy Implementation in Ensuring the Growth of Small Businesses.....	202
Figure 6.8: Business Support and Benefit Received from MEDAN.....	203
Figure 6.9: Criteria Used by SMEDAN to support Small Medium Businesses.....	204
Figure 6.10: Rating SMEDAN Programmes in Support of Small Business Development.....	205
Figure 6.11: Small Business Managers View's about SMEDAN Programmes Satisfactory Supporting SMEs Development in Ondo State.....	206
Figure 6.12: Functional Monitoring and Evaluation Systems put in place by SMEDAN to Monitor Beneficiaries business.....	207
Figure 6.13: Respondents Participants in SMEDAN Monitoring and Evaluation Processes.....	212
Figure 7.1: Integrated model of public policy.....	219
Figure 7.2: Results chain flow diagram.....	233
Figure 7.3: Summary of SMEDAN Entrepreneurship Training and Sensitization Programmes in 2012.....	236
Figure 7.4: Flowchart of how GWM&E System Envisioned Outcomes should be achieved.....	242
Figure 7.5: SMEs Development Policy Framework matrix for SMEDAN.....	247
Figure 7.6: SMEs Intervention Strategy Matrix for SMEDAN.....	248
Figure 8.1: Recommended Structure for Effective Oversight and Accountability for SMEDAN.....	286

KEY WORDS

Small and Medium Enterprises

Monitoring and Evaluation

Frameworks

Development

Accountability

Systems

Governance

Policy

Informal sector

Transformation

Sustainability

Policy Development

Policy Objectives

Policy Implementation



CLARIFICATION OF ACRONYMS

SMEs	Small and medium enterprises
SMMEs	Small micro and medium enterprises
GDP	Gross Domestic Products
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria
UAC	United African Company
NIDB	Nigeria Industrial Development Bank
NDP	National Development Plan
NEDEP	National Enterprises Development Programme
M&E	Monitoring and Evaluation
OECD	Organisation for Economic Cooperation and Development
NIC	New Industrialized Countries
ABS	Australian Bureau of Statistics
UNEP	United Nation Environment Programme
VAT	Value Added Tax
EC	European Commission
UNIDO	United Nations Industrial Development Organization
MSME	Micro and Small Medium Enterprises
CAMA	Company and Allied Matters Act
CBN	Central Bank of Nigeria
SMECGS	Small and Medium Enterprises Credit Guarantee Scheme
NBCI	National Bank for Commerce and Industry
NERFUND	National Economic Reconstruction Fund

NPC	National Planning Commission
NMES	National Monitoring and Evaluation System
KPI	Key Performance Indicators
GWMES	Government – Wide Monitoring and Evaluation Systems
NPC	National Population Commission
SAP	Structural Adjustment Programme
AFDB	African Development Bank
NEC	National Economic Council
FEC	Federal Executive Council
GNI	Gross National Income
NEEDS	National Economic Empowerment and Development Strategy
SEEDS	State Economic Empowerment and Development Strategy
LEEDS	Local Economic Empowerment and Development Strategy
USAID	United States Agency for International Development
IFC	International Finance Corporation
NDE	National Directorate of Employment
SMEEIS	Small and Medium Industries Equity Investment Scheme
FEAP	Family Economic Advancement Programme
NAPEP	National Poverty Eradication Programme
SMECGS	Small and Medium Scale Enterprises Guarantee Scheme
YOU WIN	Youth Enterprises with Innovation in Nigeria
FGN	Federal Government of Nigeria
NIPC	Nigeria Investment Promotion Council
CAC	Corporate Affairs Commission
ITF	Industrial Training Fund

DFID	Department for International Development
IMF	International Monetary Fund
NGOs	Non-Governmental Organisations
GEM	Global Entrepreneurship Monitoring
CSBF	Canadian Small Business Financing
BDBC	Business Development Bank of Canada
SEDA	Small Enterprises Development Agency
DSBD	Department of Small Business Development
BBBEE	Broad Base Black Economic Empowerment
NBS	National Bureau of Statistics
OSCCI	Ondo State Chamber of Commerce and Industries
NISER	Nigerian Institute of Social and Economic Research
NCE	National Certificate of Education
HND	Higher National Diploma
CEDP	Corpers Entrepreneurship Development Programme
MDGs	Millelium Development Goals Strategies
SON	Standard Organization of Nigeria
NEPC	Nigerian Export Promotion Council
NACRDB	Nigerian Agricultural Cooperative and Rural Development Bank
ACGSF	Agricultural Credit Guarantee Scheme Fund
BOI	Bank of Industry
EU	European Union
ECOWAS	Economic Community of West African States
IFAD	International Food for Agricultural Development

JICA	Japan International Cooperation Agency
PACF	Pan African Competitiveness Forum
MAN	Manufacturers Association of Nigeria
MDAs	Ministries, Departments and Agencies
OLOP	One Local Government One Product
PM&E	Participatory Monitoring and Evaluation



UNIVERSITY *of the*
WESTERN CAPE

ABSTRACT

The significance of small, micro, and medium enterprises (SMEs) development cannot be overemphasized because it plays a considerable role in a nation's economy particularly in developing countries. SMEs' contributions include job creation, expanding the means of sustainable livelihoods and ensuring impartial distribution of wealth amongst citizens. This study evaluates monitoring and evaluation systems, policy and programmes of the Small Medium Enterprises Development Agency of Nigeria (SMEDAN) to develop and transform the informal sector of the economy.

The main purpose of the establishment of SMEDAN is to facilitate the promotion and development of a structured and effective small and medium enterprises sector that will provide informal employment for unemployed, and enhance sustainable livelihood and economic development in Nigeria. Unemployment and increased poverty levels are key challenges to the government of Nigeria, which has resulted in socio-economic and political unrest across the nation. Against the background of high unemployment rate, especially amongst the youth and the deteriorating fortunes of small and medium businesses in Nigeria, questions can be asked in relation to current initiatives and policies to support SME sector.

The core dimensions of the investigation included, a review of SMEDAN's roles and relevance in transforming the SME sector of the nation's economy, policy framework, programmes and projects that facilitate SMEs development, institutional effectiveness, the extent to which the guiding policy is implemented as intended from a monitoring and evaluation point of view, the impact of policy in transforming the informal sector and the extent to which policy and the agency have been effective in overall enterprise development. By adopting a monitoring and evaluation approach, the preliminary findings appear to be pointing to a number of unforeseen, and, in some instances, self-inflicted negating factors that appear to be inimical to the achievement of the desired objectives.

Findings from the study reveal that the M&E system embedded within SMEDAN is not well designed and dysfunctional, which hampers the agency from achieving its stipulated mandate. Concerning transformation, effectiveness, efficiency, policy implementation and sustainability, findings indicate that the agency's programmes are not monitored adequately, planning and designing of the programmes are extremely poor, policies are not implemented and, as such, results are not achievable within the

time frame, leading to inefficiency and ineffectiveness on the part of SMEDAN. Evidence gathered from this study affirm that the oversight functions of the designated structure for SMEDAN efficiency are completely negligible and deplorable with regard to the discharging of obligations and responsibilities. A lax approach of the oversight structures encourages inefficiency mal-administration, ineffectiveness, favouritism and corrupt practices within SMEDAN to perform exceptionally well.

The study concludes that the development and transformation of the SME sector requires oversight, accountability, responsibility, coordination and collaboration which embraces the improvement and implementation of the MSME policy, institutional profile that supports effectiveness and efficiency which will institutionalise results-based M&E within the designated agency for enhanced delivery of service(s) within the SME sector and enterprises development in Nigeria as a whole.



CHAPTER ONE: LANDSCAPE OF THE STUDY

1.1 Introduction

Nigeria's over-dependence on oil and gas in the past has often exposed the nation's economy to macroeconomic instability resulting from the effects of external shocks of oil prices at global market. The recent global economic recession, which led to a fall in oil prices, placed a big toll on the nation's accounts and resources. The effects diminished the country's capability to finance projects, development needs and infrastructures that will enhance the standard of living of Nigerians. The drop in the price of oil forced Nigerian government recently to seek a bailout from her reserve funds and other international credit institutions to run government businesses and pay for recurrent expenditures across the three tiers (federal, state and local) of government.

The Gross Domestic Products (GDP) growth slowed to 2.2% from 2009 and the population growth rate climbed to 2.5%. The trends plunged the nation into severe economic recession, which led to massive job loss; most private and public organisations were cutting cost, many manufacturing companies left the shores of Nigeria due to high cost of production and huge losses accumulated running into millions of Naira in their financial books and records (Vision 2020 National Technical Working Group Report 2009).

The significance of small and medium enterprises for growth, productivity and competitiveness of economies of developing countries is universally recognised and the sector can contribute significantly to the country's GDP. The contribution of small and medium enterprises is known for economic development and has long been recognised. Small and medium enterprises have been acknowledged as critical breeding and nurturing grounds for domestic's entrepreneurial capacities, technical skills, technological innovativeness and managerial competencies for private sector development.

This research examines monitoring and evaluation system for SMEs, particularly SMEDAN related systems in Nigeria. SMEDAN is an institution empowered by law in Nigeria and authorised to supervise the development and transformation of the SME sector. It gives feedback on quarterly basis to government through the Federal

Ministry of Trade and Productivity. Law and legislation mandate their roles, activities in developing small and medium enterprises sector. Generally, small and medium enterprises are seen as the means by which economic growth is guaranteed. Therefore, it is important to formulate policies that are efficiently geared towards the development of small businesses (Ogujiuba, Ohunche and Adenuga 2004:06). The role of policy in creating an enabling environment for small and medium enterprises development cannot be underrated. A country's capacity to empower people with entrepreneurial skills and capabilities depends on existing infrastructures, programmes and policies. Hence, there is a need for effective monitoring and evaluation system, the flexibility of the various regulatory agencies and resourceful supporting environment.

The stakeholders and government need to partner together to support small-medium businesses through fiscal incentives, grants and aids, as well as specialised institutions all geared towards making the small business sector active. According to the National Policy on Small and Medium Enterprises (2006:12), the importance of small and medium enterprises for development, productivity and competitiveness of economies of developing nations is generally accepted. It is, therefore, important for the government of Nigeria to take extreme measures to improve and implement small business enterprise policies that would ensure poverty alleviation, address unemployment and guarantee a stabilised economy.

1.2 Background of the Study

The business environment before the independence of Nigeria was completely dominated by British conglomerates such as Unilever Brothers Company, Leventis and United African Company (UAC). These corporations were encouraged by the government of Nigeria during this era to become major players in Nigeria's business environment. The business transactions of these companies were exempted from paying tax by the government to encourage their smooth running operation within the country.

The establishment of Nigerian Industrial Development Bank (NIDB) towards the end of the 1950s was a government initiative to support prospective small business owners to be actively involved in commerce. This initiative assisted in providing short-term and long-term loan to support indigenous small business enterprises in Nigeria. These

were efforts by the government to allow Nigerians to be actively involved and play important roles in the transformation of the nation's economy through the small and medium enterprises sector.

The post-independence era in Nigeria witnessed reform programmes and policies embarked on by the government. The government, during this period, spent enormous sum of money transforming the small and medium enterprises sector with various programmes and policies. However, various complaints were made by stakeholders in the sector challenging the reforms programmes because of the significant success and impact to transform the sector which till today, still affects the SME sector in Nigeria.

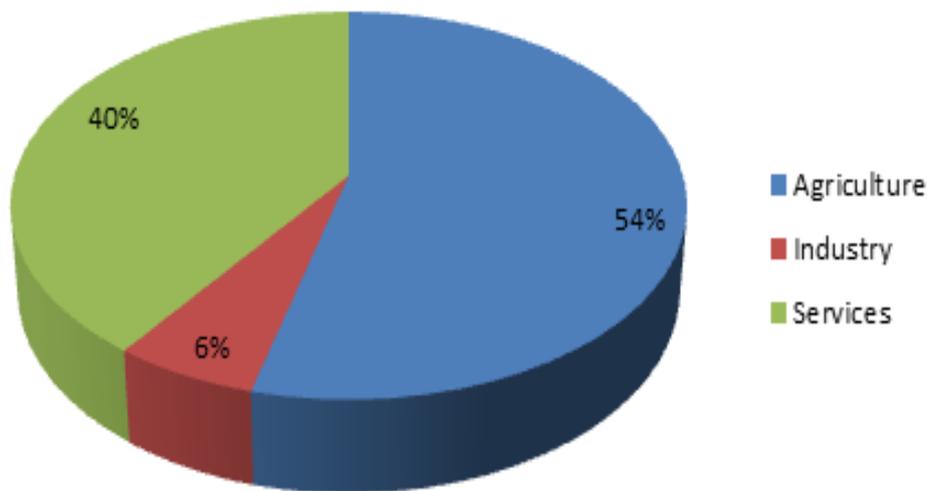
Majority of small and medium enterprises functioning during this period faced severe hardships, which included the following: strict economic conditions as a result of unstable government policies caused by change in government, gross under-capitalization corruption amongst government officials/representatives, high operating/running cost, dilapidated infrastructural facilities, lack of support and interest from government officials for the development of the small and medium enterprises to mention a few.

Successive governments in Nigeria over a period of time believed and accepted that to grow and survive the economy, small and medium enterprises need specific policies and programme that will enhance the capabilities of the SME sector. The establishment of Indigenization Decree of 1972, Nigeria Enterprises Promotion Act of 1977 and the National Development Plan established under the military regime in Nigeria, which led to significant successes in the small business enterprises sector. The idea of transforming the SME sector in Nigeria was a conceived plan that emanated from the establishment of National Development Plan for a period of 25 years beginning from 1962 to 1987.

The government introduced incentives to encourage better participation in the small business sector and to resolve the problems encountered by industrialists in Nigeria, thereby giving them the opportunity to increase their contribution to the Gross Domestic Product (GDP) and the economy at large.

Small and medium enterprises are organised through other relevant key sectors such as solid minerals, agriculture, and manufacturing, to mention a few, and thus, have robust linkages with the entire array of economic activities in the nation.

Figure 1.1: SMEs sectoral distribution in Nigeria

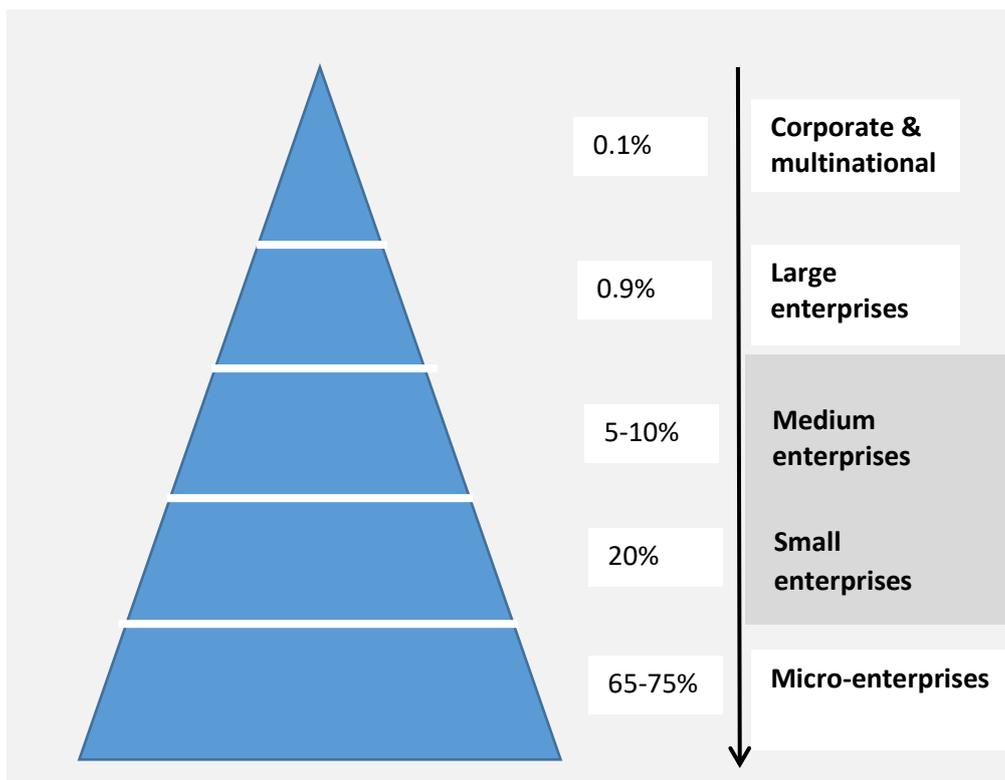


Source: National Enterprises Development Programme (NEDEP, 2014).

The small and medium enterprises sector boosts job creation and thus industrial development. According to World Bank Report published in 2013, globally, the small and medium enterprises sector contributes between 50–55% of gross domestic products and 55 -80% of employment opportunities. In Nigeria, the small and medium enterprises sector contributes 70% of total employment (Ubom, 2003). The labour intensity and concentration, according to World Bank are between 4 to 10 times greater for small and medium enterprises; as this is where jobs are created. Therefore, it is important to see the effect of the sector on the creation of informal jobs and need to develop the sector accordingly.

It is clearly that small and medium enterprises play a catalytic role in the socio and economic transformation of Nigeria, which includes a significant contribution to employment opportunities, local and foreign direct investment opportunities, technological advancement and thus increased contribution of the gross domestic products.

Figure 1.2: SME contribution to formal country employment.



Source: National Enterprises Development Programme (NEDEP, 2014).

1.3 Statement of the Research Problem

The small and medium enterprises sector is recognised as having enormous capabilities for employment opportunities, sustainable growth and, hence, income generation in any nation's economy. However, the Small and medium enterprises sector in Nigeria today remains relatively small in terms of its contribution to gainful employment, sustainable economic development and impact on Gross Domestic Product (Ogujiuba et al.,2004:12). The transformation of the SME sector is of great concern to government and all stakeholders, but the fact remains that the crucial sector has performed less than expected. This sector has been observed as the bulwark for employment generation, socio-economic and technological transformation, to mention a few in Nigeria. However, the sector still has its own fair share of neglect with related impacts on the economy.

According to the former Minister of Trade and Industry, Olusegun Aganga as reported by Adeloje, (2012), there are 17 million estimated SME businesses in Nigeria which represents over 80% of the total number of SME firms in Nigeria

(Adeloye, 2012). These figures employ over 31 million Nigerians, which represents about 75% of the labour force. However, these numbers have dropped severely in the past 5 years and reduced SMEs contribution to the Gross Domestic Product in Nigeria as a result of internal and external business challenges incapacitating SME contributions to economic development of the nation. Various government institutions established in the past in Nigeria to revive the SME sector failed completely and could not accomplish this mandates. With huge contribution of financial resources by the Federal Government of Nigeria to transform the small and medium sector of the economy, till date, the sector has not performed creditably well as expected in the growing and developing the nation's economy.

According to Oluseyi (2013:30), the major challenges of small and medium enterprises in Nigeria are unfavourable policies connected with poor capacity to develop, undertake programmes and projects that implement SMEs development. Also, high rate of enterprises mortality, poor infrastructural facilities, shortages of skilled manpower, a multiplicity of regulatory agencies, non-transparency amongst government officials, restricted market accessibility and bureaucracy.

According to Anyadike (2012:102), poor management practices, constrained access to money and capital markets, a small return on investment, insufficient equity capital, lack of access to information given that it is costly, and time-consuming are also limitations to small and medium enterprise's growth. Nigerian government came up with various initiatives and programmes that would abolish poverty by motivating the development of the small business sector. However, it remains unsatisfactory evidence on the effectiveness of SMEs sector and the extent to which these have influenced the development of small business enterprises.

The Small Medium Enterprises Development Agency of Nigeria 2012 annual report indicated that the institutional frameworks procedure in terms of policy contents to support small and medium enterprises sector are not entirely innovative. This study acknowledges the challenges in the SME sector hence, evaluation of the agencies framework is needed to ensure that SME goals are actualised in Nigeria.

1.4 Research Question

The primary research question is to determine the extent to which existing monitoring and evaluation systems as adopted by Small Medium Enterprises Development

Agency of Nigeria are effective and efficient in terms of achieving the predetermined goals.

1.4 Objectives of the Study

Based on the enormous contribution and role played by small and medium enterprises sector in the economy, it is compelling for SME's sector to be overhauled. The aim of this study is to analyse, evaluate SMEs policy framework in Ondo State. The research objectives of this study encompasses the following:

1. To develop a theoretical and legislative framework for the research study
2. Discuss the role and relevance of SMEDAN in Nigeria
3. To analyse the existing monitoring and evaluation framework for effective implementation of SMEDAN activities
4. To identify challenges and opportunities for monitoring and evaluation improvement
5. To present a framework for monitoring and evaluation improvement
6. To make appropriate recommendations to SMEDAN for the implementation of results- based monitoring and evaluation system.

1.5 The Study Area

This study is carried out in Akure, Ondo State, Nigeria (Fig. 1). The state was created by the military administration on the 3rd February 1976. It is located in the south-west region of the country with 18 local government areas. Ondo State covers a land area of 14,793 square kilometres and its administrative capital is Akure. The state is bounded in the west by Ogun and Osun states, respectively, in the north by Kogi and Ekiti States, in the east by Delta and Edo state as well and by the Atlantic Ocean in the south. The national census conducted in 2006 indicated that the state has 3,441,025 million people. The state comprises numerous businesses (vis-à-vis banking, telecommunications, automobile to mention a few) corporate organisation, donor agencies, institutions and government agencies. Ondo State is richly blessed and listed as one of the oil producing states in Nigeria with the presence of plentiful human and natural resources, massive arable land for agricultural production with a deposit of rich diversity of mineral resources. In addition, the establishment of a micro credit bureau in the state, collaboration and partnership with NGOs to facilitate the development of the informal sector of the state economy was a right step by Ondo State Government to accelerate economic development and create informal jobs.

Therefore, the study area should have been known for a harbour for SMEs activities with maximum returns. Despite all these initiatives, SMEs development and transformation in Akure, Ondo State, remains unsatisfactory. SME activities faced severe hardships and characterised by high mortality rate caused by lack of infrastructure, funding, capacity building and unfavourable environment. Despite these factors, inhibiting SMEs progress, on a daily basis, small businesses of all kind are springing up making it a viable case study for the subject.

Figure 1.3: Map of Ondo State in Nigeria indicating study location



Source: De Montclos, (2014).

1.6 Significance of the Study

The literature affirms that SMEs globally promote growth, productivity, competitiveness of nation's economies through employment opportunities and, in turn, increase the standard of living of the people. SMEs have been acknowledged as critical breeding and nurturing grounds for domestic entrepreneurial capacities, technical skills, technological innovativeness and managerial competencies for private sector development. A substantial amount of research has been carried out on small and medium enterprises both in developed and developing nations of the world. It has been observed from the literature, that most research treat small and medium

enterprises as a panacea to poverty through employment generation as well as economic development.

In Nigeria today, the majority of researchers have not taken time to critically look and research on the development of SMEs policies as well as result-based monitoring and evaluation system of such policies in developing the SME sector. Hence, this research provides an insight into the current systems of SMEDAN monitoring and evaluation in Nigeria. It also ascertains if there is result-based monitoring and evaluation of SMEs development policy put in place by responsive government and SMEDAN.

The findings of this research will guide government and other relevant stakeholders to reformulate, if need be, and implement policies that would assist the development of SMEs sector and its activities to be more effective and more successful. Lastly, this research will contribute to knowledge and will be valuable to small business owners, government departments and institutions as well as other relevant stakeholders.

1.7 Definition of Terms and Concepts

1.7.1 Monitoring

Monitoring can be defined as a “continuous process by which stakeholders obtain regular feedback or progress report made towards achieving their goals and objectives” (Thornhill, Van Dijk, and Ile, 2015:179). It involves tracking strategies and actions taken by relevant stakeholders to ensure that results are efficiently achieved. Monitoring is a continuous process and oversight process that focuses on tracking ongoing activities to ensure that the planned events are on track, as well as progress in order to achieve the anticipated set goals. It is about expectations and achieving expected results. Monitoring is a continuous oversight process that concentrates on tracking ongoing events and is not a once –off activity. It consists of a number of amalgamated responsibilities to collect routine and non- routine data on implementation to ensure that the activities planned are on track and progress is progressively made towards the achievement of expected goals. Monitoring requires transparency on delivery expectations and helps to ensure that what is expected is attained within the expected time frame. According to Public Service Commission Report (2008:03), monitoring is a constant and nonstop function that uses a systematic collection of data on quantified indicators that provide management and stakeholders of an ongoing development interference with indications of the extent of

progress and achievement of objectives in the use of allocated resources while evaluation, on the other hand, is a systematic and objective assessment of an ongoing or completed project, course, policy, design, implementation and results. According to the South African Public Service Commission bulletin published in February 2008, “monitoring can be defined as a continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds”.

Monitoring is the inspection of progress made towards the achievement of objectives or a goal as against set goals and objectives. A good monitoring system will give notice, early on the implementation of a course of action that the end goal will be reached as planned. Monitoring involves a process of comparison because actual performance is compared with what was planned or expected to be achieved. A typical example is the monitoring of the completion of the planned activities of a project against the target dates that have been set for each activity.

1.7.2 Evaluation

According to the South African Public Service Commission bulletin published in February 2008, “evaluation is an assessment as organised and objective as possible, of an uncompleted or completed task, project, policy or programme, its design, implementation and results. The purpose of evaluation is to determine the importance and implementation of objectives, developing, efficiency, effectiveness impact and sustainability”. Evaluation should provide information that is reliable and valuable, enabling the combination of lessons learned into the decision-making process of both the recipients and donors. It is also a process of determining the worth or significance of an activity, policy or programme.

According to Woodhill (2001:12,) evaluation can be defined as a periodic comparison of actual results and impacts with those planned or expected, judging the overall worth of an endeavour and learning lessons to improve future activities. Evaluation is an assessment activity to compare the intended results against the actual activities, which consist of processes that analyse what has been done. The role played by various stakeholders in the implementation process, assigned tasks, lessons learnt, beneficiaries and inefficiency if any exist (Thornhill et al., 2015:180). According to Yumi and Beaudry (2007:26), evaluation is a systematic assessment of an ongoing or

completed project and results. The aim is to determine the relevance and fulfilment of objectives, efficiency, development, impact and sustainability.

An evaluation like monitoring can be applied to most aspect's including an activity, project, strategy, programme, policy, theme, sector and organisation. Evaluation can be done during execution, which is known as developmental evaluation, or it can be done at the end of the action known as summative evaluation. The difference is that developmental evaluation provides opportunities for implementation of recommendations, whereas summative evaluation takes place after the incident when lessons cannot be implemented, however, these may be transferred to similar policies elsewhere (Thornhill et al., 2015:179).

1.7.3 Development

Development connotes a positive socio-economic and political change in a society or a nation. It is about positive change in an existing society and the outcomes are measured by the results seen in the society or nation. This is a process of improving the quality of all human lives, which includes a change in social, psychological and political processes. It implies progress, improvement and upgrading of a project or programme. Development emphasizes the process of social change, which is required to produce economic advancement (Chambers et al, 2004:29). It is also the process of improving the quality of all human lives with three equally important aspects. Development is a process of structural societal change. According to Guskey (2000:04), it is a process of historical change, which involves changes to socio-economic structures, which includes ownership, the organisation of production, technology, institutional structures and laws.

It emphasises process of social change, which is required to produce economic advancement; examines changes in social, psychological and political processes. These are:

- Raising Peoples' living levels, that is, incomes and consumption, levels of food, medical services, and education through relevant growth processes.
- Creating conditions conducive to the growth of peoples' self – esteem through the establishment of social, political and economic systems and institutions that promote human dignity and respect.

- Increasing peoples' freedom to choose by enlarging the range of their choice variables such as varieties of goods and services.

1.7.4 System

Banathy *et al.*, (1996:18) define system as a process used for designing and evaluating instructions. A system can be defined as a set of things working together as parts of a mechanism or an interconnecting network. It is regarded as a set of objects together with relationships between the objects and between their attributes. It is defined as a regulatory interaction or interdependent group of items forming a unified whole. It is a set of arrangement of things so related or connected as to form a unity or organic whole.

A system is defined as a regularly interrelating or interdependent assembly of items forming an integrated whole. It is defined as a set or procedure of things so connected as to form a unity or whole. According to Miller *et al* (1965:237), a system is a set of units with relationships amongst them. A system by hierarchic, composed of interrelated systems, each of the latter being, in turn hierarchic, in structure till the lowest level of elementary subsystem. A system is a set of objects together with the relationship between the objects and between their attributes. According to Coetzee *et al* (2004:79), a system is a prearrangement of a number of disparate elements in a regular pattern or relationship.

Systems are not homogenous networks. They have powerful nodes that control the areas around them. A system is a regular pattern of interrelated parts that are interconnected and interdependent, which includes a powerful node that emerges out of the ways in which parts are integrated. A system can also be seen to have subsystems that are often challenging to decide when two or more parts become integrated into one encompassing systems.

1.7.5 Small and Medium Enterprises

The National Small Business Amendment Acts of 2003 and 2004 (NSBA Act) defines small and medium enterprise as a distinct and separate business entity, which includes co-operative, manufacturing enterprises and non-governmental organisations, managed by one or more people which, includes, its branches or subsidiaries, if any, and it is primarily carried out on any sector or sub-sector of the economy.

According to International Finance Corporation (2007:07), small and medium enterprises dominate the economic background of most nations of the world and have

increase household income, create jobs opportunities for people as well contributing to economic transformation and gross domestic products. Small and medium enterprises play a momentous role in the transformation of socio-economic development of a country.

There is no universal definition of small and medium enterprises (Storey, 2000:08). However, many scholars and researchers have expressed their definitions; which exist even amongst countries of the world. The International Finance Corporation (2009: 09) defines small and medium enterprises as registered businesses with less than 250 employees. Most of these definitions lay much emphasis on the actual size (i.e. the number of employees, profit, the net worth of the venture and turnover), but enterprises differ in sales, employment and capital requirement. The small and medium enterprises do not conform to any constraints because the majority of SME activities depend on the industry or business sector they operate.

1.8 Outline of the Study

A brief preview of each chapter is given in order to provide a plan of the organisation of the thesis.

Chapter One: Landscape of the Study

This chapter provides the background to the study as it seeks to critically analyse monitoring and evaluation systems for small and medium enterprises with specific reference to Small Medium Enterprises Development Agency of Nigeria (SMEDAN).

The section includes the following explained topics:

- Background to the study
- Statement of research problem
- Objective of the study
- Research questions
- Significance of the study
- Delineation of the study,
- Basics terms and concepts
- Outline of the study
- Conclusion and chapter summary

Chapter Two: Literature Review – conceptual and theoretical framework

This chapter focuses on literature review, legislative, conceptual and theoretical framework governing the Small Medium Enterprises Development Agency of Nigeria, institutions and stakeholders of SMEs, various policies stimulating SMEs development as well as other SME policies reviewed. Moreover, Chapter two details and critique development in SMEs approach commencing from pre and post-independence period. This chapter discusses the comprehensive analysis of SMEs discourse both present and past. In addition to the summary, the following theories were fully discussed:

- Agency theory
- Stakeholder's theory
- Knowledge management theory

Chapter Three: Global Perspective of Small and Medium Enterprises, Legislative and Institutional Policy Framework

This chapter focuses on global context of small and medium enterprises, institutional and policy framework put in place from global perspectives. This will be used to enhance the view for the development of small and medium enterprises development programmes, initiatives supported by institutions and other related government agencies with references to four nations as a case study.

Chapter Four: Research Design and Methodology

Chapter 4 expounds the research design methodology and data collection methods. The research will make use of mixed methods using triangulation approach. The chapter also focuses on the samples procedures, the population size, the data procedures and ethical consideration will be discussed as well.

Chapter Five: Research Findings and Data Presentation

This chapter focuses on the research findings, research analysis and data presentation. The chapter centres on the perception of monitoring and evaluation system, the policy framework of SMEDAN and small business development programmes in Nigeria. A result based monitoring and evaluation framework if none in place, for effective use

of SMEDAN to oversee the development and success of SMEs sector in Ondo State will also be discussed in this chapter.

Chapter Six: Implementation of SMEDAN Programmes in Developing the Small Medium Enterprises Sector

This chapter addresses SMEDAN programmes and projects within the informal sector as well as examine the implementation of the agency's programmes amongst selected agro-allied small medium business owners/managers in Ondo State. The purpose of this examination is to ascertain how effective and efficient the implementation process of MEDAN is in relation to its mandate.

Chapter Seven: Discussions on Monitoring and Evaluation System for Small Medium Enterprises Development in Nigeria

Chapter seven centres on the national monitoring and evaluation system put in place by the Federal Government of Nigeria hence, the monitoring and evaluation system adopted by SMEDAN if any, used in determining the effectiveness, appropriateness and sustainability of the agency programmes. In addition, this segment encompasses an in-depth analysis of results-chain embedded in SMEDAN vis-à-vis inputs, processes, output, outcomes as well as impacts, which forms part of the discourse in this chapter.

Chapter Eight: Conclusion and Recommendations

This chapter concludes the research, present the recommendations, which will be useful for researchers, small business operators, and other stakeholders who might find the research work significant for future reference purpose.

1.9 Chapter Summary

This research study critically analyses monitoring and evaluation systems for small and medium enterprises with specific reference to Small Medium Enterprises Development Agency of Nigeria (SMEDAN). The research study explains the background of small and medium enterprises in Nigeria and from global perspectives. It also emphasizes on the statement of the research problem and the objective of the study which includes developing a theoretical and legislative framework, discussing the role and relevance of Small Medium Enterprises Development Agency in Nigeria.

It also includes amongst others, analysing the existing monitoring and evaluation framework for effective implementation of SMEDAN activities in Nigeria, identifying challenges and opportunities, presenting a framework for monitoring and evaluation improvement as well as making appropriate recommendations to SMEDAN for the implementation of result based monitoring and evaluation system. This chapter also deliberate on the research questions, the significance of the study, delineation of the study, the basics terms and concepts and outline of the study.



CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter emphasizes on the literature review including the conceptual and theoretical framework of the research study. The first phase of this chapter focusses on the overview of small and medium enterprises and its concepts from a Global, African and Nigerian perspective. The development of small and medium enterprises before and post Nigeria's independence are discussed in this segment. The second phase highlighted the problems associated with the growth and development of small and medium enterprises in Nigeria, the conceptual and theoretical framework of the study, which includes the following: knowledge management theory, stakeholders and agency theories.

The last section presents the various legislative instruments and roles played by previous and present administrations in Nigeria. The legislative framework and policies enacted for the development of small and medium enterprises are also discussed. The last part highlights the historical background of SMEDAN, its roles and responsibilities in enhancing the small-medium sector as well as the constraints facing the agency. Also, this segment discusses the monitoring and evaluation system put in place by SMEDAN, its operations and the challenges encountered.

2.2 Overview of Small and Medium Enterprises

An active small and medium enterprises society have the full capacity to be vibrant and transformational, compared to larger firms, small and medium enterprises boost entrepreneurial skills, competition, ideas and concepts, job opportunities, efficiency, effectiveness, growth and poverty reduction (World Bank Report 2005). The major benchmark for growing and developing an economy of a nation is growing the small and medium enterprises sector. The significance of the SME sector in any nation's economy across the world cannot be over-elaborated. The value of small and medium enterprises sector is acknowledged globally regardless of the developmental stage of the country's economy. A concentration on small and medium enterprises by government is a focus on the growth of the economy.

Previous researchers have indicated that SMEs are the key propellers of wealth creation. Statistics from developing and developed nations across the globe

established that the small business sector is an energetic force for sustaining socio economic growth, innovation and employment opportunities (Chodokufa, 2009; Andzelic et al., 2011). According to Inang and Ukpong (1992: 175), the small and medium enterprises sector contributes significantly in accomplishing numerous socio economic objectives such as employment opportunities, increased output and exports activities, nurturing new entrepreneurship opportunities and providing the source of industrial base for the economy. Small and medium enterprises are seen as a driver to economic development of many nations' economies. SMEs have been associated with the rapid economic growth of countries in developed economies of the world. They contribute significantly to the development of living standards, substantial local capital formation and achieve high levels of productivity. In third world countries, it is reported that the small and medium enterprises have tremendously transformed economies and have contributed immensely to the labour force and Gross Domestic Product.

Khan, Awang and Zulkifi (2013) revealed that, small and medium enterprises represent 90% of private firms and have contributed more than 60% of employment and Gross Domestic Product (GDP) in most developing countries. According Ile and Ilori (2015:13), small and medium enterprises focus their efforts on employment opportunities through skills acquisitions, poverty reduction, fostering productivity, growth, transformation and development of nation's economies. The small and medium enterprises are regarded as "the engine of growth" as well as "agents for socio-economic transformation of nation's economies." Small and medium enterprises represent a veritable tool for the achievement of economic objectives through development of entrepreneurial skills and acquisition of technical know-how and thus enhance poverty alleviation economic freedom.

A research conducted by Competition Commission in 2004 revealed that 99.3% of businesses operating in the Republic of South Africa were small businesses and these firms accounted for 53.9% of the country's total employment, which contributed 34.8% to Gross Domestic Products (GDP). Similarly, in 2010, Abor and Quartey reports published in 2010, revealed that 91% of formal business entities in the Republic of South Africa falls under small and medium enterprises category, and that these SMEs contribute between 52 to 57% to GDP and provide 61% to employment generation.

In addition, most of the businesses in Organization for Economic Cooperation and Development (OECD) nations are categorised under small and medium enterprises sector and they constitute about 55% of Gross Domestic Products and 65% of total employment. Similarly, Stiglitz and Marylou (1996) stated that East Asian nation's economic transformation was relatively because of a vibrant small and medium enterprises sub sector. The small and medium enterprises sector in East Asian countries prompted the up – surge in exports and rapid development of the East Asian industrial sector. The New Industrialized Countries (NIC) such as China, Indonesia, Malaysia, Singapore, South Korea, North Korea and Taiwan to mention a few were able to achieve socio economic transformation and growth through a vibrant small and medium enterprises activity which contributed to the revolution of the large scale enterprises.

Despite the Republic of China population of almost a billion people, the country has been able to generate employment opportunities and income for her teeming population through the activities of the small and medium enterprises sector. Furthermore, the small and medium enterprises have contributed immensely to the development of Nigerian economy. According to Ariyo (2005), the small and medium enterprises sector accounts for 97% of all the business ventures in Nigeria and it employed almost 50% of Nigeria labour force, which produce 55% of industrial output in Nigeria. The sector has also boosted the distribution of socio-economic transformation in a decentralized manner thereby eradicating intense population and given room to justifiable distribution of common wealth in an emerging economy. The small and medium enterprises are also actively involved in the utilisation of natural resources and thus reduce supply in the labour market, which enhances productivity (Udechukwu, 2003).

2.3 Conceptual Framework

The research critically examines three conceptual theories, which include the following:

2.3.1 Knowledge Management Theory

Many organisations in developed nations have profited from knowledge management theory because they recognise the importance of the theory in both public and private organisations development. However, developing nations have not realized this

importance and are vulnerable. The dynamic nature of markets in the environment today has created a competitive incentive among many organisations and businesses to leverage their knowledge assets as a means of creating value and achieving a competitive edge.

Knowledge management theory has been defined in numerous ways. According to Davenport (2001:75), knowledge management refers to a fluid mix of enclosed capabilities, contextual information, values, and skilful insight that provides a framework for assessing and integrating new experiences and information. Benchoff et al., (2002:15) also defined knowledge management as the task of developing, exploiting both tangible and intangible knowledge resources in an organisation. This theory helps in increasing output and efficiency in operations when the concept is applied in organisation workplace. The emphasis on knowledge management theory is vital to the success of the Small Medium Enterprises Development Agency of Nigeria (SMEDAN) and small medium enterprises sector growth as well. It provides small businesses new tools for growth, survival, and ensuring a sustainable competitive advantage over contemporaries (Antoni and Oversell, 2008:1199). Knowledge management has become the latest strategy in increasing organizational competitiveness (Bell Etienne and Jackson, 2001:17).

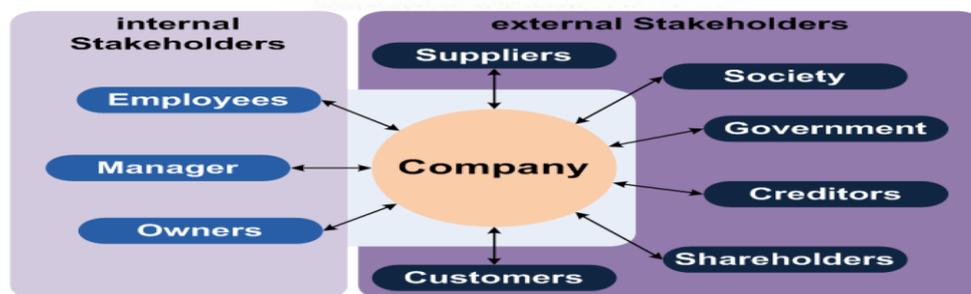
Knowledge management is seen as a vital factor for achieving and sustaining organisational success for improved efficiency and innovation. Today, knowledge management is the primary source of competitive advantage and the key to success for organizations in the economy. Small Medium Enterprises Development Agency of Nigeria needs to create an environment, which can boost interaction as well as synergy between SME owners. Hence, ensure maximum participation and high level of motivation to become more creative, innovative and competitive. This will help in achieving stated objectives. Knowledge management approach is most relevant to SMEs because this has the greatest potentials for the sharing of valuable knowledge. This can be through capacity building, training and development, workshops and seminars as well as community engagement with stakeholders. It will help build awareness of knowledge management principles; commit more resources and work collectively to make the knowledge management more profitable for SME operators. The focus on knowledge management theory is a crucial area for SMEs development and growth. In particular, the management of knowledge assets may provide small

businesses new tools for survival, growth, and maintaining a sustainable competitive advantage. In addition, it will also help SME owners and managers to change their attitudes and think positively by adopting to new changes.

2.3.2 Stakeholders Theory

The stakeholder theory is a theory of organizational management and business ethics that addresses morals and values in managing an organisation (Jamal, 2008:231). Stakeholder theory argues that there are other parties involved, including employees, customers, suppliers, financiers, communities, governmental bodies, political groups, trade associations and trade unions (Fig. 2). Even competitors are sometimes counted as stakeholders – their status being derived from their capacity to affect the firm and its stakeholders. The stakeholder theory is regarded as a theory of business or firm ethics and organisational management that talks about morals as well as values in managing an organisation effectively (Jamal, 2008:231). A key aspect of stakeholder's theory is that, a firm is understood as a system functioning within the bigger system of the society, which provides infrastructure for the firm's activities. A stakeholder in an establishment or firm is regarded as any group or individual who can influence or be affected by the firm's achievement (Freeman 1984:369).

Figure 2.1: The relationships between stakeholder's theory concepts



Source: Jamal et al., (2008:231), Freeman, (1984:369).

The fundamental importance of stakeholder theory is the interface between a firm and those parties intertwined in its operations; the theory emphasised the mutual dependence between the firms and stakeholders. This theory argued that a business entity could only exist through the interaction and transaction that takes place between the firms and other stakeholders (Nazi, 1995:31). Therefore, a small and medium business engages with their stakeholders to transact their business activities. Stakeholders theory acclaimed that a firm or business entity cannot be understood as

fulfilling the needs of its owners or stakeholder. Hence, the fundamental basis of stakeholder theory is normative in the sense that the benefits of legitimate stakeholders are considered to have essential value.

2.3.3 Agency Theory

Agency theory is necessarily contextual when applying it to real world scenarios especially contemporary developments. Agency theory looks at how to ensure that agents (executives and managers) act in the best interest of the principals (owners, shareholders) of an organisation (Jessen and Meckling, 1976:308). This happens because of the separation of ownership and control, when the principal has to employ a manager (agent) to run the organisation on his behalf and monitors their performances to ensure they act in the owners (principal) interest. Allchin and Deserts (1972:87) pioneered the argument that, monitoring the performance of individual work effort is always a cost to a firm and that organisational inefficiency are created when the flow of information on individual performance is decreased or blocked. This occurs if there are large teams, unsupervised professionals, or executives of corporations who act autonomously. The main concern of agency theory as proposed by Jensen and Mackling (1976:300) is how an agent's performance can be measured and incentivized so that they act with the principal's interest in mind. Employees (at any level) have diverse goals; therefore, the two main agency problems identified were how to align the conflicting goals of principals and agents, and how to ensure agents perform in the way principals expect them to.

The Small Medium Enterprises Development Agency of Nigeria (agent) represents the Federal Government of Nigeria interest (principal) to facilitate, provide infrastructures and funds for SME sectors in order to provide employment opportunities and develop the informal sector. When an agent acts entirely in her own self – interest, against the interest of the principal, and then the agency loss becomes high and affects the target markets.

2.4 Small and Medium Enterprises -A Synopsis

2.4.1 Global Perspective

The Small and medium enterprises contribution globally to the economic development of any nation cannot be overemphasised due to its substantial support to job creation and poverty reduction. SMEs contribute substantially to nation's growth

in terms of productivity, income level, and output level as well as livelihood sustainability (Ayyagari et al., 2003:220). The recent global financial meltdown created a severe hostile environment for small business growth. This resulted in a significant drop in the demand for goods and services as well as diminishing lending rates by financial institutions. Small and medium businesses, dominate the global business stage. According to Ayyagari et al., (2011:06), it is estimated that more than 96% of businesses across the globe are SMEs which accounts for approximately 65% of private sector employment.

Globally, Japan has the highest figures of small businesses, which account for more than 99% of the entire enterprises (EIU, 2010:22). In India, the Ministry of Micro, Small Medium Enterprises report in 2008, stated that, there were about 13 million SMEs, equivalent to 80% of all country's businesses (Ghatak, 2010:19), Small and medium enterprises become linked in the supply chains of bigger businesses which can be encouraged on how to improve their own output and performance. The contribution of small and medium enterprises to nation development varies from one nation to another nation. SMEs play key roles in both low and high income countries of the world, making substantial contributions to nation building, alleviating poverty and contribute to Gross Domestic Products (Dalberg, 2011:17).

Australia's small and medium enterprises sector accounts for 95% of the businesses sector, 47% non-agricultural private sector and employs 3.3 million Australians, (ABS 2005:146). The Organisation for Economic Cooperation and Development (OECD) report in 2010 indicated that 95% of businesses in OECD countries globally are SMEs, which accounts for 55% of the Gross Domestic Products. The National Census Report held in 2002 revealed that nearly 1.2 million small businesses in Australia account for 15% of the Gross Domestic Products. The small business sub-sector in Australia is very diverse, with a high representation in business services, property and retail trade.

The United States of America experienced significant growth in the SME sector. According to Ogunleye (2004:19), about 22 million small business enterprises exist in the United States from which 3.3 million jobs were created and employ about 53% of the total private workforce. These firms generate half of the country's Gross Domestic Products. Similar initiatives at improving economic development and growth through

SMEs have been taken by other developed countries such as Germany, United Kingdom, Canada, and France across the globe to name a few.

2.4.2 Sub Saharan African Perspective

The small and medium enterprises sector plays a vital role in the socio-economic transformation of Sub Saharan African region's economy. Most of the countries in Sub Saharan African region have large numbers of SMEs comparatively to the size of the economy. The World Bank Outlook Report for Africa 2013 indicated that Sub Saharan economies through the support of SMEs sector experienced significant growth since the 1960s. The sector constitutes around 90% of sub-Saharan African business operations, created over 50% of employment, and contributes to Gross Domestic Product. This sector taps into local and foreign markets as well as engaging in activities from trade, agriculture, production, manufacturing and telecommunication.

The World Bank Outlook Report for Africa 2014 stated that "SMEs assist to fill a growing demand in the goods and services sector as consumer demand as well as discretionary income within Africa increases". It is a fact that SMEs act as incubators of innovation and concentration within an economy, thereby allowing nations to diversify and develop (Quarterly, 2010:190). Over the last 10 years, small business and entrepreneurial activities have played a crucial role, which have helped the Sub Saharan African region grow and experience sustained socio-economic development through increased foreign direct investment. Thus the region 's GDP growth was estimated to be 5.8%. It is anticipated that about one-quarter of countries in the Sub Sahara region economy grew at 7%, which put the region amongst the fastest growing and emerging economies of the world. However, further growth opportunities in the SME sector were severely hindered by poor implementations of policies, restricted market accessibility, lack of infrastructural facilities, unfavourable business environment, absence of succession plan in the event of death of the business owner, persistent unstable macro-economic environment. In addition, irregularities in governance and administration due to corruption, weak monitoring and evaluation system amongst others (Temitope, 2006:428).

Fadahunsi and Senko (2010:167), argues that the failure rate of small and medium enterprises in Africa in every 85% out of every 100 companies is due to lack of skills and access to capital. These challenges negatively influence the growth of the sector

in Sub Saharan African. Most of the nations in Africa, which have experienced the outcome of these challenges, include Ethiopia, Malawi, Uganda, Burundi, Tanzania, Kenya, and Congo. Other constraints as established by the African Competitiveness Report 2013 indicated the following barriers of SMEs development in the region, which include financial indiscipline, constrained accessibility to money and loan facilities. Although, the Sub Saharan region has potentials for economic development and economic performance the fact remains that in the region, average investment rates on the continent remains extremely low. Therefore, government and other relevant stakeholders must intervene to ensure the development of small and medium enterprises sector in Africa.

2.4.3 Nigerian Perspective

The small and medium enterprises sector in Nigeria has been regarded as the most significant sector due to its impact in transforming the nation's economy (Deutsche Bank Research Report, 2014:2). The SME sector in Nigeria represents 96% of all the businesses and contributes 75% of the national employment. There are 17.2 million SMEs operating in Nigeria and well over 15 million are micro-enterprises. Hence, the growth in this sector is directly correlated with growth in the economy (National Policy Framework on Small and Medium Enterprises, 2003:17).

A well-structured SME sub-sector creates wealth, poverty alleviation, sustainable economic development and employment generation (Ogujiuba et al., 2004:19). SMEs are key generators of employment and income, drivers of innovation and growth. The Deutsche Bank Report (2014) placed Nigerian economy as the biggest in the African continent with a nominal Gross Domestic Product (GDP) of \$510 billion, per capita income of \$2,410. The above result looks impressive, but unemployment remains high in Nigeria today with a majority of the citizens living in abject poverty, and the figure has actually increased (Ile and Ilori 2015:91). Nigeria as a nation is endowed with vast natural resources; business opportunities, abundant and dynamic resources, yet a majority of the citizens are suffering.

Effective utilisation of these resources involves the capability to identify possibly useful and economically viable fields of endeavours with good policies to facilitate development (Ile and Ilori 2015:2). Therefore, it is essentially necessary for the Nigerian government to focus on how to ensure that the small business sector is overhauled and developed correctly. An enabling business environment, sustained

with adequate infrastructures, constructive programmes and policies will support the SME sector to achieve its goal. This will enhance the creation of more job opportunities, sustainable livelihoods and thus increase the nation's Gross Domestic Product.

2.5 Conceptualizing Small and Medium Enterprises

Globally, there is no acceptable definition of small and medium enterprises (SMEs). Defining small and medium enterprises has always been an enormous task and very contentious. The concern of what constitutes SMEs is a major concern according to some scholars in some literature. Numerous researchers and authors have given different views and opinions to the definition of small and medium enterprises, which is varied, from one country to another and one continent to another. The scope and definition of SMEs are determined by the structure.

The organisation for Economic Cooperation and Development (OECD) report published in 2015 showed that the features of small and medium enterprises do not reflect on economic arrangements of a nation rather to the social and cultural dimensions. The arrangements are prominently reflected within various definitions as well as the criteria of SMEs accepted by different nations. The combinations of either capital invested, number of employees and the type of the industry are the determining factors used in defining SMEs amongst the nations.

In addition, according to Carpenter (2003), the major benchmarks used in the definition of SMEs are exclusively based on the combination of the following: the capital-base on the business, the number of employees, the sales value, the relative size as well as the nature of the business. Kimambo (2005:16) also identified several nation classifications based on their industries and the common criteria for the definition of SMEs were as follows: number of employees, generated income, the scale of the investment and turnover to mention a few. The SMEs structure comprises of medium, small and micro enterprises, which are distinguished as a separate group from the large group or organizations. Some SME businesses are family owned, some by partners who pooled their resources together, some individually owned and others owned by state departments (Vision 2020 Nigeria National Working Group Report 2009). Small and medium enterprises can also be classified in terms of size with the

following criteria, which include number of employees, the assets of the business and the revenue.

Therefore, since there are no uniform criteria to measure small and medium enterprises in terms of capital requirement, turnover, investment, market share, available assets – plant, machinery as well as number of employees, then no definition is accepted globally. According to report credited to the United Nations Environment Programme (UNEP) 2003, some nations choose to classify small enterprises into – micro, small and medium while other nations choose small and medium. Many scholars and authors from different countries came up with various definitions of small and medium enterprises based on the classification adopted and approved by the regulatory organisation and government.

Also, Altman, 2009 proposed two criteria to reduce the debate generated by various scholars and authors concerning the conceptual classification and definition of small and medium enterprises. They are operational and theoretical definitions. In their arguments, they indicated that theoretical definitions of small and medium enterprises considers qualitative criteria which includes – personal clarity, autonomy as well as financial and personal engagement of the owner while operational definitions of small and medium enterprises focus on quantitative criteria such as the annual turnover, capital outlay and the employees.

Furthermore, Smith and Watkins (2012), in the case of the Republic of South Africa, categorised small businesses into the following; micro enterprises, very small enterprises, small enterprises and medium enterprises. The differences between these four categories are determined by number of employees and the capital outlay. The definition of small and medium enterprises is based on the South Africa broadly used framework according to the National Small Business Act 102 of 1996, which grouped small and medium enterprises into five segments with definition attached to each of them. The definition emphasises on the number of the workforce, which is a common mode of defining SMEs, the annual income range and the assets. The groupings of the enterprise's definitions are as follows:

Survivalist Enterprises: These groups of business people are classified as vendors, hawkers, subsistence farmers and their income are usually low and they fall within the

poverty line. In reality, survivalist entrepreneur is classified under the micro enterprise's sector.

Micro Enterprises: The micro enterprises in South Africa has an annual income of not more than R150,000 the businesses under the micro enterprises don't have formality procedures such as registration and VAT registration number to mention a few. It has a maximum of 5 personnel. They include spaza shops, minibus taxi and household industries.

Very Small Enterprises: These are categories of firms with at least 10 personnel and a maximum of 20 personnel with the exception of manufacturing, power and construction sector. In most cases, they operate in the formal market and have access to infrastructures.

Small Enterprises: These are the categories of business with at least 50 workforces. They are well established with all the necessary facilities required to facilitate and run their businesses.

Medium Enterprises: Under these categories of businesses, the maximum number of employees is 100 and if it is in the case of mining, power, manufacturing and the construction industry then, the employees are up to 200.

However, the United Nations Environment programme (UNEP) report published in 2003 revealed that the advancement in information technology (IT) could make small and medium enterprises definitions as regards the number of employees less important. Similarly, the situation of small and medium enterprises in Ghana is similar to other countries because the number of employees determines the category of the entire business venture. According to Kayannula and Quartey (2000), the Ghana Statistical Service (GSS) acknowledged that small and medium enterprises are regarded as firms with not more than 10 personnel while medium and large businesses have more than 10 employees respectively. The assets (fixed) of businesses are also criteria used in determining the classification of firms in Ghana. The National Board of Small Scale Industries (NBSSI) relates both number of staff and the assets of firms as the major criteria for the definition of businesses in Ghana. NBSSI used 10 million Ghanaian Cedis as the benchmark for small-scale enterprises in Ghana. Steel and Webster (1991), Osei, Tutu and Sowa (1993) opined that the criteria for small-scale business are employees not less than 30, micro enterprises employees not less than 6,

very small enterprises not more than 9 staff while small business employees not more than 29.

Again, the European Union according to United Nations Environment Programme (UNEP) report published in 2013 agreed that micro businesses employ less than 10 employees with an estimated annual turnover of about 2 million euros, while small businesses hire less than 50 employees with 10 million euros as annual turnover. The medium-sized businesses in Europe engage up to 250 employees with a projected annual income of 43 million euros. The small and medium enterprises sector in the United Kingdom hires less than 250 employees while in the United States of America, the small and medium enterprises sector hires less than 500 workers.

The Bolton Committee Report published in 1971 has a different definition of small business to different sectors of the economy. The firms under the manufacturing, mining, extractive and construction industry were defined in terms of the number of the workforce, which in any case is less than 200 or more. In the retail, services, marketing and wholesale to mention a few were defined base on their annual income, which ranges from (50,000 to 200,000 British pounds sterling are categorised under small business). In the transportation industry, businesses or firms with less than five vehicles are categorised under small business. However, there have been critics in the Bolton Committee definition due to inconsistency defining SMEs based on some features such as a number of employees and capital base.

The European Commission (EC) definition of small and medium enterprises according to Wilkinson (1999) is based on the number of employees and the ranges are as follows:

- Small enterprises (10 – 99 employees)
- Micro-enterprises (0 – 9 employees)
- Medium enterprises (100- 499 employees)

In fact, the European Commission definitions are centred solely on job opportunity rather than a variety of criteria. Nevertheless, using 100 workers as the benchmark for small businesses limit above is more suitable, given the rise in output in the past twenty years (Storey, 1994). The Department of Trade and Industry, of the United Kingdom, agreed to the definition of the Bolton Committee definition of small business. The United Kingdom Department Trade and Industry in 2001, defined a

small business as an autonomous business managed by its proprietor either full time or part time and having market share.

The United Nation Industrial Development Organization (UNIDO) defined small and medium enterprises based on the number of employees by classifying them for developed and developing countries respectively. The definition of SMEs for developed countries according to UNIDO is as follows:

- Small firms (99 workers or less)
- Medium firms (100- 499 workers)
- Large firms (500 workers above)

The similarities given to developing nations are as follows:

- Small firms (5 -19 workers)
- Micro firms (Not less than 5 workers)
- Medium firms (20 – 99 workers)
- Large firms (100 workers and more)

The scope of small and medium business has been defined in different settings; it is obvious from the definition above that there is no general agreement over what constitutes the scope and definition of small and medium enterprises. Therefore, scholars and researchers have to embrace the proper definition of small and medium enterprises to their target group and emphasis must be on the number of employees, turnover annually and capital requirement.

In Nigeria, small and medium enterprises have different definitions to mention a few, which is made available. Fatai (2012) explained that various scholars, authors, institutions, government departments and policies recommended ways to define small and medium enterprises. Also, that numerous scholars have series of concepts as to the similarities in income, sales, and the number of employees, capital requirement, investments, market shares as well as the level of business development. The similarities in these features reflected in the definitions of small and medium enterprises.

The small and medium enterprises structure consists of the following – micro, small and medium enterprises. The National Policy on Micro, Small and Medium Enterprises (MSME) in Nigeria has addressed the argument of SME definition, what constitutes the acceptance, the classification based on dual criteria, assets and

employment, which include land and building. However, if a conflict occurs on classification between assets and employment-based, classification will take priority. (National Enterprises Development Programme Report 2014:10).

Table 2.1: Structure of small and medium enterprises sub-sector in Nigeria

S/N	Size Category	Employment	Assets (=N=Millions) (Excluding land and buildings)
1	Micro enterprises	Less than 10	Less than 5
2	Small enterprises	10 to 49	5 to less than 50
3	Medium enterprises	50 to 199	50 to less than 500

Sources: National Policy on MSMEs.

The grouping of business into small or large enterprises is subjected to both qualitative and quantitative judgement in Nigeria, as there is no definite definition that distinguishes small business from medium – scale enterprises (Ekpenyong and Nyong 1992:04). The apex bank in Nigeria (Central Bank) Monetary Policy Circular No 22 of 1988, defined small scale enterprises as a firm with an annual income of N500, 000 naira. The 1990 National Budget of the Federal Republic of Nigeria clearly defined small-scale enterprises as firms with an investment not above N500, 000 for commercial loan purpose whereas for merchant bank loan purpose, the firm’s capital investment must not exceed N2million naira and maximum of N5million. The Companies and Allied Matters Decree (CAMA) of 1990 defined small and medium enterprises as a firm with annual income not more than N2 million and the value of the firm net assets not more than N1 million naira. According to the Small and Medium Enterprises Credit Guarantee Scheme (SMECGS) established by Central Bank of Nigeria, small business enterprises can be defined as business entity with asset base of N5 million to N500 million and workforce of 12 to 300.

The Small Scale Industries Unit of the Federal Ministry of Industries, Nigeria in 1979 defined small-scale industries as firms with investment capital (machinery, land and

building, working capital) of up to N60, 000 with a total workforce not more than 50. The amount was later increased to N150, 000 (machinery, land and building, working capital) to accommodate manufacturing, processing, and service industry. In the same year, the Nigerian Bank for Commerce and Industry (NBCI) defined small-scale enterprises with an investment not more than N500, 000 (without land and working capital) and in 1985, the Nigerian Bank Commerce Industry raised the amount to N750, 000 (including working capital only). The Central Bank of Nigeria report recently highlighted the number of employees for small-scale businesses not less than 50 and medium scale businesses not less than 100 employees. The capital and asset requirement for small-scale firm has less than N1, 000,000 whereas the medium scale firms have less than N150, 000,000. Also, according to Arowomole (2000) cited in Esuah and Adebayo (2012), the universally definition of SMEs is cumbersome to accept and acknowledge due to the criteria used by various nations of the world because of the following; structure of the management, number of employees and capital requirement. SMEs definition today in Nigeria conforms to the Nigerian Industrial Policy definition, which specifically stated that SMEs are businesses or firms with total estimate of N100, 000 and N2 million with working capital and exclusion of land. The definitions of small and medium enterprises above are characterised by the size of the firm, the assets and the employees in the organisation, most of the enterprises are sole proprietorship - individually owned, partnership - jointly owned by partners, and private liability company by rights of share ownership. Aside the size, capital layout and number of staff, Olokoyo (1999:54) explained the following distinguished features of small and medium scale enterprises, which include the following:

- Administration: The business owner controls the administration and management of small and medium enterprises. The owner decides and he solely takes decisions because he owns the business.
- Funding: The capital requirement for the establishment of small business is very different from large business. In the case of a small business, the owner provides the capital requirement, however in most cases from family members, friends and self-financing.
- Local/indigenous operations: The operational activities of the small business are usually localised. The employer and employees live in the same locality; however,

some small businesses do not limit their operational activities within their locality rather across borders.

- Organisation structures: The small medium enterprises many times don't have a good structure on the ground to direct the major units in the business. SMEs lack specialised managers to manage and provide expertise advice to the business rather the owner of the business is individually coordinating the activities of the business which sometimes cause a high percentage of business failures and closure of the business.

Also, SMEs within the EU zone contribute 99% to economic activities (Commission of the European Communities, 2003). Johnson and Turner defined SMEs as business entities encompassing at least 250 employees. Other requirement for a firm to be classified under SMEs include the turnover.

Table 2.2: Definition of SMEs

Criteria	Micro Enterprises	Small enterprises	Medium enterprises
No of employee	<10	<50	<250
Turnover (millions euros)	-	7	50
Balance sheet (million euro)	-	5	27

Source: Johnson and Turner (2000).

Likewise, according to Peterson and Kozmetsky (1983), a small and medium enterprise is a firm independently owned and functioned without any dominant in its field of operation. Small and medium enterprises have no specific definition; however, it varies from a nation to another nation. The small and medium enterprises according to National Economic Reconstruction Fund (NERFUND) defined small and medium enterprises as a firm whose entire assets are less than or below N10 million but makes no impact to its annual income and the number of workers. The United Nation Industrial Development Organisation (UNIDO) in their publications stated that the definition small and medium enterprises is a momentous issue for policy development, implementation and primarily depends on the purpose of classification. In Canada, Industry Canada report published in 2005 defined a small business with no

fewer than 100 workforces (if it is a producing business) and 50 workforces (if it is a service base business). Small and medium enterprises refer to firms with less than 500 employees, while firms with more than 500 work forces are regarded as large businesses in Canada.

2.6 The Historical Development of Small and Medium Enterprises in Nigeria

The development of small and medium enterprises sector in Nigeria is as old as the nation itself and can be traced back to the industrial revolution of the 18th and 19th centuries in Britain due to its impact on the present state of SMEs sector and industrial development in Nigeria. This is dated back to the amalgamation of both the southern and northern parts of the country in 1914 to the geographical land mass called Nigeria today by Lord Lugard, representative of the British Colonial Administration. Prior to the independence of Nigeria, British industries dominated the business environment and they were actively engaged in trade and commerce in Nigeria. The British multinational companies operating in Nigerian soil during the colonial administration era include GB Olivant, AG Leventis, Cadbury, African Company (UAC) and Lever Brothers to mention a few, which were primarily involved in importing finished goods from their parental companies in the United Kingdom and another part of Europe.

The attainment of Nigeria's independence in 1960 experienced substantial efforts directed towards industrial development plan by the previous military and civilian administrations, which was periodic in nature. The establishment of the national development plan was a strategy to transform the nation's economy and ensure industrialisation. The development plans of 1962-1968, 1970-1975, 1976-1980 and 1981-1985 were government-led initiatives towards industrialization aimed at import replacement strategy and to increase local equity involvement in foreign-owned businesses. Others include provision of funds, integration, linkages and other technical resources that seek to help and encourage the participation of small and medium enterprises in all sectors of the economy. The establishment of the indigenization Decree of 1972 and later Nigeria Enterprises Promotion Act of 1977 was an incredible major revolution in small medium enterprises sector in Nigeria. It was a genuine attempt by the Federal Government of Nigeria then due to the acknowledgement of the roles of small and medium enterprises, as the seedbeds and preparatory grounds for entrepreneurship. The act ensures that many Nigerians are

involved and play a crucial role in the development of the small-medium sector especially in the rural areas. The second phase of the national development plan, which was between 1970 -1974, has the following six fundamental point. They are as follows:

- Fast-tracking the pace of industrialization and dispersion of industries.
- Creating significant employment opportunities
- Assisting in the creation of small and medium enterprises.
- To promote individual initiatives as well as entrepreneurial skills amongst the people
- Encouraging and developing exports trade amongst traders.
- Complementing large-scale business and industries.

The Federal Government of Nigeria in collaboration with states and local governments came up with a policy to transform and strategize the small and medium sector of the economy. The Federal, States and Local Governments in Nigeria within these periods of 1977 and 1989 embarked on measures to ensure that resources are available especially for local small business operators. The policy aimed at stimulating, developing the SME sector and to encourage the use of local contents and materials in reviving the development of the sector thus to encourage effective and efficient utilisation of SME industries in Nigeria.

Acknowledging the critical roles played by the small and medium enterprises sector to socio-economic growth and transformation, successive administrations (military and civilian) in Nigeria had numerous initiatives targeted at promoting small and medium enterprises sector in Nigeria. Amongst the institutions and agencies established by the government to assist the development and transformation of SMEs sector after the independence of Nigeria were:

- The Small Scale Industries Scheme
- Nigerian Industrial Development Bank
- National Economic Reconstruction Fund
- Nigerian Bank for Commerce for Industry
- African Development Bank/Export Stimulation Loan
- Nigerian Export-Import Bank
- Small and Medium Enterprises Apex Unit of Central Bank of Nigeria

- Industrial Development Coordinating Centre
- The National Directorate of Employment
- Community Banks
- Credit Guarantee Scheme for Small Medium Enterprises
- Bank of Industry
- Small and Medium Enterprises Development Agency of Nigeria
- People's Bank
- Ministry of Industry (State level for Small and Medium Enterprises Schemes)
- The Family Economic Advancement Programme
- Small and Medium Industries Equity Investment Scheme

The aforementioned agencies established by previous administrations after the independence of Nigeria in 1960 were to assist the development and systemic transformation of small and medium enterprises sector. Unfortunately, a majority of these institutions were unable to achieve their mandate, goals and objectives, thus most of them were jettisoned while others were merged to be effective and efficient, yet the SME sector still struggled in the muddy waters of Nigeria business environment. The major challenge in Nigeria's pursuit for socio-economic and industrial growth over the years since independence has been the absence of a robust, energetic and virile small and medium enterprises sector. Udechukwu (2003:06), stated that, the 2006 population census publicized by the National Population Commission affirmed that Nigeria population encompasses 150 million people with a vast productive and arable land, with rich diversity of deposited mineral resources and enormous human and capital resources, Nigeria should have been a harbour for small and medium enterprises with maximum returns, as it also has the location advantage as trade and commerce hub for the continent (Udechukwu, 2003:6).

According to Onugu (2005:28), the poor performance of the small and medium enterprises sector in Nigeria can be traced to the effort made by the first generation local industrialist across the length and breadth of the country, which was practically wiped out, by immense dislocations, devastation, and traumatic devaluation. There were several causes given as to why the anticipation in the small and medium enterprises sector have not been met, thus the sector poor performance has rather not been met therefore led to the Structural Adjustment Programme (SAP). The Structural Adjustment Programme fundamental policies were virtuous intents and were based on

the neo-classical theory of perfect, effective and efficient competitive markets whose conventions were, unfortunately not synchronized with the prevalent situations, limitations and operating small and medium enterprises environments in an emerging economy such as Nigeria (Onugu 2005:30).

The Structural Adjustment Programme era represented a flourishing and prosperous period for small and medium enterprises sector in Nigeria over a period of time and after a decade, the economy of the nation declined with no significant progress and growth due to political instability, massive looting and corruption in the treasury by the military administration, dilapidated infrastructures which led to poverty and economic hardship. People migrated from Nigeria for greener pastures outside the country, which led to brain drain. These problems constitute a setback and impede the development and growth of the small and medium enterprises sector, which provides the critical building blocks for sustainable economic growth and industrial development. The small and medium enterprises sector in Nigeria today is struggling to survive under the present intense, very competitive business environments locally and at an international level. Therefore, it is crucial for the government and other stakeholders to provide a favourable and enabling business environment for the development and transformation of small and medium enterprises sector so that they can adequately play the role expected of them in the nation's economy.

2.7 The Contribution of SMEs Development in a Nation's Economy.

The industrial revolution of the 18th and 19th century was a testimony of integral ground breaking spirit of small and medium enterprises, which has remained relevant economic catalysts for transforming nation's socio-economic growth and development. The small and medium enterprises are key and pertinent to the economic transfiguration of nations' economies. In the past, history has revealed the significant role played by the small and medium enterprises sector through industrial development, innovations and promotion of trade within and across borders. Previous research shows that if countries in Africa will have to make significant impact in eliminating poverty and hardship, sustainability of average growth rates must be 7% or more and this requires small and medium investments rate at 25% of gross domestic products (GDP) and above (Clarke, 2013; ECA,1999).

The small and medium enterprises (SMEs) acknowledgement globally is a testimony of its mechanism for economic transformation, development and poverty alleviation in both developing and developed nations. SMEs acknowledgment is acceptable because of its capacities in the areas of reducing poverty and inequalities, creating informal employment, mobilization of domestic savings for investment purpose, enhancing the development of agricultural sector, youth and women empowerment through skills acquisition and development and connecting participants in supply chain to mention a few (Small Enterprises Assistance Funds SEAF, 2004; Ojo, 2006:24; Ogujiuba, Ohunche and Adenuga, 2004:6). In addition, according to Duarte (2004:01), small and medium enterprises seminal role cannot be over emphasised. It is fundamentally important to all economies in developing and developed nations through job opportunities and income distribution amongst the citizens. The role played by SME firms in the society is important; a typical example of the usefulness of SMEs was the case of Portugal where 98% of industrial fabric in is composed of small and medium enterprises sector. In the United Kingdom, the small and medium enterprises are acknowledged for their tremendous support for economic transformation.

Similarly, according to Small and Medium Enterprises (SMEs) Statistics for UK, SMEs are often known as the pillar of the United Kingdom economy and accounted for more than half the country's turnover. The small and medium enterprises sector in the United Kingdom accounts for 33% of annual turnover and 44% of the private sector employment respectively. In Asia, Hong Kong and Taiwan have many small businesses performing excellently. Japan's small and medium enterprises have performed extremely well and have over 81% people fully engaged with employment opportunities and an average enterprise employs 9 personnel as against 4 in the European Union nations (Lukacs, 2005:12).

Additionally, the United Nations Industrial Development Organisation (UNIDO) report published in 2013, for third world nations, categorically stated that alliance with world economy through democratisation; deregulation and economic liberalization are significant to poverty reduction and elimination of inequalities amongst the people. This method involves the transformation of the private sector supported by the SME led sector, which plays a critical role. There is consensus amongst business managers, policymakers, trade experts, economists and government

representatives that the small and medium enterprises sectors are the drivers of economic growth and development. A vigorous small and medium enterprises sector has significant impacts and contributes importantly to job creation, export trades, innovations and entrepreneurial activities.

Fida (2008) claimed in their presentation that small and medium enterprises are a gateway to the development of states economies, which lead to industrialization. The dynamic role played by small businesses in transforming and repositioning developing nation's economies has long been acknowledged. A nation with significant features of the prosperous and growing economy is subjected to vibrant, energetic and flourishing small and medium enterprises sector. The SME contributions to socio-economic development are in various ways; such as creating an enabling environment for job opportunities in the rural and urban settlements as well as providing a sustainable and innovative economy in general. The majority of the conglomerates and multinational firms across the globe today started as small business before transforming to international business.

The positions of small businesses in Pakistan are similar and related to the aforementioned contributions of SMEs to nation's development and building. Ilori (2014:21) affirmed that 90% of businesses in Pakistan are categorised under SMEs and employ 80% of people in the non – agricultural workforce with 40% GDP yearly. The small and medium enterprises are the starting point for nation building, advancement through economic growth and have a significant impact on the stability of house hold income and distribution as well as effective and efficient utilization of resources. In addition, China, Japan and Korea economies are not exceptions of the significant impact and role played by the SME sector. The resources of these nations are actively engaged by the small firms, which serve as a link with the larger firms and thus attract direct foreign investments. Foreign direct investments (FDI) are vital features for socio-economic growth, which is the basic requirement for developing nations to achieve sustainable growth and alleviation of poverty (Udechukwu 2003:10). These foreign corporations depend on domestic firms for operational activities and contribute immensely to job creation through diversification of products and contribution to national GDP.

In the same view, the African Development Bank (ADB) and the Organization for Economic Cooperation and Development (OECD) conference held at Kauffmann in

2005 for African economic outlook explained that some nations in Africa have started receiving the impact of small and medium enterprises, which are summarised as follows:

- SMEs engaged 3.2 million people in Kenya into the labour force in 2003 and the GDP contribution to the national economy was 18%.
- In Senegal, the SMEs contribution to the economy accounted for 20% of the national value –added.
- In the Republic of Congo, SME firms hire not less than five workers and the country has about 10,000 firms in the informal sector of the economy.
- In Morocco, the SME sector accounts for 93% of industrial firms, 30% for export and 33% of the investments.
- In South Africa, the contributions of SMEs were as follows; 55% for employment and 22% to GDP as at 2003.

Inang and Ukpong (1992: 12) also affirmed the significance of the small and medium enterprises sector, which cannot be overemphasized due to its impact on the transformation process of states economies through industrialization. The contribution includes economic growth, job opportunities and social development, which are regarded as the formula for attaining economic growth. According to World Bank Report published in 2005, a robust society has the capabilities to be dynamic and transformational through an enhanced and energetic small and medium enterprises sector, which boost effectiveness, efficiency, innovations, job creation as well as alleviating poverty and hardship.

In the Republic of South Africa, 80% of the businesses are under the small and medium enterprises sector which accounts for 56% private sector workforce while 40% encompass the gross domestic products (Clover and Darroch 2005:11). In addition, a similar research by Kongolo (2010:24) stated that 91% businesses in South Africa fall within the small and medium enterprises sector and it encompass 60% labour force as well as contributing 51% to 57% to gross domestic product (GDP) of the country. Moreover, a related study carried out by World Wide Worx in 2012, confirmed that the small and medium enterprises in South Africa offered around 7.8 million informal jobs. It is understandable from the statements above that a robust small and medium enterprise is a powerful force to transform and develop a country's economy.

In Nigeria, the SME sector plays an influential role and is regarded as solid agent for economic growth and transformation. The productive activities are under the SME sector and accounts for more than 95% with the ability to employ 70% of the labour force as well as the capacity to contribute 75% to GDP (Ubom, 2003:20; Ojo 2003:25). The contributions of SMEs to the Nigerian economy are enormous as the sector has tremendously increased the productivity of goods and services, increased jobs opportunities in the informal sector and thus enhanced efficiency in the fast growing service sector. The United Nations Conference on Trade and Development (UNCTD) report published in 2004 stated that “it is a vehicle for the reduction of income disparities thus developing a pool of skilled or semi-skilled workers as a basis for the future industrial expansion; improves forward and backward linkages between economically socially and geographically diverse sectors of the economy; provides opportunities for developing and adapting appropriate technological approaches; offers an excellent breeding ground for entrepreneurial and managerial talent, the critical shortage of which is often a great handicap to economic development among others”.

In addition, Udechukwu (2003:11) explained that SMEs improve the standard of living of the people through enhanced productivity and capability. Also, government and other relevant stakeholders in the polity attested to the significant value of SMEs to nation transformation as well as the development of the both private and public sector due to its strategic impact in the development of states economies. In the same view, Olorunshola (2003:43) attested that small and medium enterprises mobilise, utilised local savings and increased efficiency and effectiveness through maximization of cost, and ensure better flexibility. Also, the SME sectors play prominent roles in various sectors of the economy especially the production of the following; bakery, furniture and fitting, farming, textiles and construction industry to mention a few which provide employment opportunities for the unemployed youths in the country.

Chibundu (2006:3) granted an interview with the Vanguard Newspaper on “Strategies for Nigerian SMEs to grow economy”. He stated that the seminal impacts of SMEs in nation development include the following; utilization of indigenous raw materials, development of entrepreneurial skills, rural development, utilization of local funds and resources effectively and training and re -training of semi as well as unskilled

workers. In addition, the SMEs has reduced the pressure on government and other big firms by unemployed people for paid employment as well as providing opportunities for developing local skills and acquiring technological knowledge. “The Aba made” syndrome in Nigeria is a typical example of technological acquisition which was made conceivable by liberalisation of policy in some key sectors such as power, oil and gas, information, technology, communication and education to mention a few by government, which transformed the nation’s economy. Lastly, the SMEs are regarded as catalyst to big businesses through the supply and distribution of goods and services to the final consumers. The Sub Saharan Africa report on small business development recently published by the World Bank in 2014 indicated that many countries in the region have larger SME sectors, which have significant impact on the economies of the nations in the region.

Table 2.3: Share of SMEs sector to employment generation in some states in Africa

Country	SME share of employment
Kenya	38%
Malawi	39%
Ivory Coast	33%
Tanzania	32%
South Africa	21%
Cameroon	19%
Burundi	20%
Zambia	37%
Zimbabwe	15%

Sources: Development Bank Report 2014.

Therefore, it is primarily important for government and departments responsible for SMEs development especially in Nigeria, to create a friendly and enabling business environment for the growth of SMEs sector so that, they can play the obligatory roles

in transforming the nation economy. The obligatory roles include the following; acquisition of skills, harnessing local raw materials, increased in per capital income and standard of living, substantial contribution to Gross National Income (GNI) and Gross Domestic Products (GDP), enhanced innovations, concepts, as well as growth and diversification of nations economy. Others include mobilisation of local savings and provision of informal employment. To achieve these objectives, a responsive and well-coordinated industrial policy with socio-economic transformation plans involving stakeholders and guarantee effective and efficient utilisation of resources is required.

2.8 National Policy on Micro Small and Medium Enterprises (MSMEs) in Nigeria

According to the Micro Small Medium Enterprises Report published by Agosto & Company in 2015, the Nigerian Federal Executive Council (FEC) ratified the 1st National Policy on Micro, Small and Medium Enterprises (MSMEs) developed by the Small Medium Enterprises Development Agency of Nigeria (SMEDAN) on May 09, 2007 and was launched officially on the 26th July, 2007. The United Nations Development Programme (UNDP) and the African Institute of Applied Economics (AIAE) technically and financially supported the policy developed by SMEDAN. The mandate of the MSMEs policy aimed to build a robust alliance among key stakeholders in the SME sector and a roadmap that will develop and transform the micro and small medium enterprises in Nigeria. The Federal Government of Nigeria inaugurated the MSMEs policy implementation committee known as National Consultative Committee (NCC) on the 18th October 2007. The MSMEs policy framework become pertinent for economic development however, the implementation of the MSMEs policy suffered a setback due to several internal and external challenges. The setbacks were caused by the following factors:

- Weak shareholders (private and public institutions) buy-in;
- Lack of resilient commitment by the Federal, state and local governments to develop the Micro, Small Medium Enterprises sector;
- Institutional synergy for MSMEs policy are very weak
- Weak monitoring and evaluation mechanism/framework to determine the success of SMEs developments programmes in Nigeria;

- The existence of bureaucracy amongst employees in all the government departments and institutions empowered to oversee MSMEs programmes in Nigeria;
- Inefficient funds for the development of MSMEs process;
- Poor capacity building and developments among MSMEs;
- Maladministration and corruption;

The problems facing the successful implementation of MSMEs policy after five years of existence led the Federal Government of Nigeria to map out a new policy that will create prosperous MSMEs that would speed up the socio economic growth and development of Nigerian economy more evenly. Former Nigerian President, Dr Goodluck Ebele Jonathan in May 2015, unveiled the new revised MSMEs National Policy, which was drawn from the first MSMEs National Policy and other national policies. The new MSMEs National Policy involve stakeholders from different levels of government institutions, private and business organisations, regional and international organisations such as United Nations Conference on Trade and Development (UNCTAD). The policy specifically emphasised on fundamental issues emanating from national development, which includes; the National Economic Empowerment and Development Strategy (NEEDS), and supplemented by the State Economic Empowerment and Development Strategy (SEEDS) as well as Local Economic Empowerment and Development Strategy (LEEDS).

The Reviewed MSMEs National Policy strengths and competencies

1. The main goal of the new MSMEs policy is to provide a favourable environment that will enhance, create and support the facilities required for the growth and development of the SME sector amongst the three tiers of government and other stakeholders in Nigeria.
2. The revised National Policy on MSMEs has been articulated and better repositioned as it maps out the benchmarks, parameters, directions within the MSMEs platforms, initiatives, interventions and programmes designed for effective and efficient monitoring and evaluation purposes.
3. The revised policy provides and creates a robust synergetic environment for more efficient and effective small businesses development.

4. The revised MSME policy satisfactorily involved monitoring and evaluation framework with dependable baseline to assess its impact.
5. The revised policy accepts regionalized institutional policy framework, which is globally accepted and leverages the synergies between the public and private partnership initiatives to transform and develop the SME sector.
6. The revised policy integrates gender equality by putting into consideration the insurgency of high rate of youth's unemployment in Nigeria and the urgent needs for women development and empowerment.
7. The new policy accepts the use of information technology (ICT) as a unique tool to improve government efficiency, effectiveness and ensure service delivery to SME sector.
8. The National MSMEs policy incorporates and accepts the submission of the United Nations Conference on Trade and Development (UNCTAD) which should include:
 - ❖ Critically pay attention to the goals of small business and entrepreneurship establishment in the policy framework and the plan of action;
 - ❖ Outlined detailed policy objectives and goals to generate small business starts-up, ensure diversifications of industries and the agricultural sector;
 - ❖ Outlined priorities for special groups such as the disabled people, women and youths.

From the revised National Policy on Micro Small Medium Enterprises above, the researcher believed that the micro and small medium enterprises sector in Nigeria have what it takes and the impetus to develop and grow the nation's economy. However, to achieve the desired results of growing the economy effectively, the researcher also considered some factors that will enhance the effectiveness of the MSMEs policy. They are as follows:

- ❖ **Education:** The United States Agency for International Development (USAID) Reports published in 2014, on the state of Nigerian Education System, revealed that the quality of education in Nigeria is extremely poor, which leads to low demand, very poor academic performance and unacceptable standards compared to other nations of the world. With over 30 million children who are school-aged in the country, only 10 million children were estimated that enrolled in school. The number of children out of school has tremendously increased and there is high level of illiteracy rate amongst eligible children. A recent World Bank Survey in Nigeria in 2014 disclosed some reasons of poor education system in Nigeria which includes:

- ❖ Tertiary education (private and public) are extremely expensive. In my opinion, average income earners in Nigeria cannot afford to send their children to university education to access better and qualitative education;
- ❖ There exists a disconnection between the senior secondary school's curriculum and tertiary institutions curriculum;
- ❖ There is also a disconnection between science and technology school and training schools and the requirement from the labour market;
- ❖ Nigerian educational system has no connection between formal or non- formal educational curriculum and thus lack connection for good and acceptable prerequisite framework;
- ❖ Research and development is challenging and lack of funds to support educational research in Nigeria:

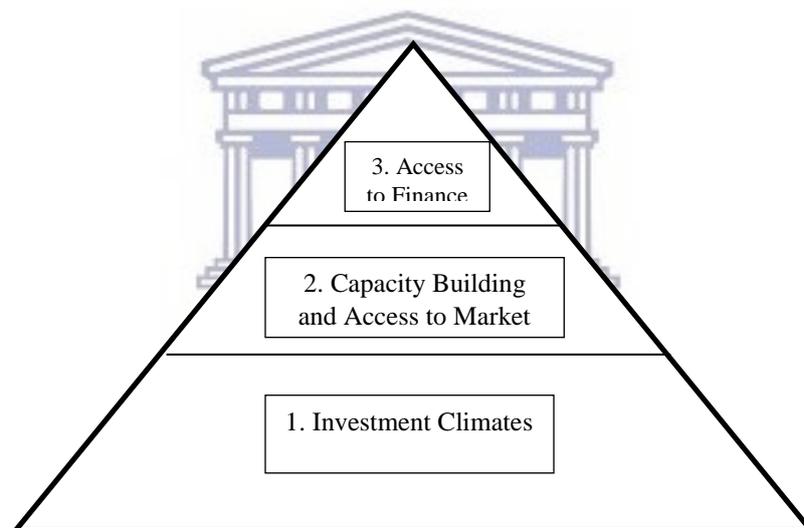
The researcher agreed that, poor elementary education has a negative influence and affects immensely, the development and growth of small medium enterprises. Many small business owners in Nigeria today have neither idea of what collateral security means, they have no knowledge nor idea of how to access funds, open business accounts, and the documentation required for business registrations, which have significant impact for small business development. Although, the new MSMEs National Policy promotes entrepreneurship and small business education, but elementary education is very key and it enhances innovations, competencies for the growth of small businesses.

- ❖ **Reformation of Entrepreneurship and Small Business curriculum in Nigerian schools:** The policy advocates the inclusion of small business and entrepreneurship curriculum in all levels of education from primary to tertiary level in Nigeria. It is therefore fundamental for teachers and lecturers to be fully equipped with first-hand knowledge of entrepreneurship, which can be achieved through trainings and seminars. Life experienced business operators should be allowed to share their experience and give tutorial sessions and mentoring classes as well to students in tertiary institutions and secondary schools. With the inclusion of entrepreneurship education in Nigeria educational system in 2007, it is also important to assess how efficient entrepreneurship skills have been taught with practical life examples amongst students at all level of education in Nigeria. This can be achieved through a regular baseline survey as well monitoring and evaluation system.

❖ **Public Private Partnership Initiatives:** The new policy advocates private initiatives as key stakeholder to develop the SME sector because the government and her institutions cannot be left alone to transform the sector. Hence, it is necessary to include the Central Bank of Nigeria Bankers Committee in the National Council on Micro Small Medium Enterprises in Nigeria. This in the researcher's opinion will facilitate the understanding of lending banks in Nigeria to know the difficulties small business operators face when it comes to funding of SMEs. The researcher believes that a complete approach model is required for efficient implementation of the new policy and the International Finance Corporation (IFC) model should be put into consideration during implementation process because IFC model provides key solutions to the problem confronting SMEs development especially financial problems.

❖

Figure 2.2: International Finance Corporation Model



Source: International Finance Corporation (IFC) 2014

The first block from figure 5 emphasized on the investment climate for business operations. A favourable business environment with the necessary amenities will support the growth of small firm. A friendly business environment with the basic infrastructures will support and flourish. The second block, which dwell more on market accessibility and capacity building, will enhance the development of small business when there is capacity building, access to new markets for business operations. The links will prosper small business financial sustainability and growth. The third block on the IFC model dwell on financial capability of SMEs to grow.

Capital is very essential for SMEs development in Nigeria. The researcher believes that commercial banks, financial institutions and development organisations such as Bank of Industry (BOI) should be empowered financially to sustain the development of SMEs sector through the facilitation of soft and micro loans to small businesses without difficulties in disbursing loans to these small business operators.

- ❖ **Development of Cluster Areas:** The Government of Nigeria needs to implement the new MSME National Policy and adhere strictly to the importance of clusters development to small business growth, which the policy emphasized on. Markets should be divided in clusters for effective and efficient market development for SMEs. The cluster markets have cooperatives and other associations with the main purpose of lending money to support member's small businesses. Clusters markets such as Ladipo Market in Lagos, Aba Market in Abia State and Ilesha Motor Spare Part in Akure, Ondo State and the Computer Village Market in Lagos have organisations such as cooperative societies comprising SME operators who lend money to members for business growth.
- ❖ **Information Technology (ICT):** The new National MSMEs Policy established a dynamic web known as "BIZGROW" where information relating to micro, small medium enterprises funding, market accessibility, training and development to mention a few can be harnessed and assessed. Information technology is vital for SMEs development because vital information tips for SMEs growth can be sourced from the internet.

2.9 Role of Government in Incubating SMEs Development in Nigeria

There is global acknowledgment of the significant role micro, small and medium enterprises play in the economic development and transformation of a nation's economy. SMEs play a vital role through several pathways that go beyond job creation opportunities. They are referred to as growth-supporting sector that not only contribute significantly to improve living standards, but also bring substantial indigenous capital formation responsible for driving invention and competition in developing economics. According to the report credited to National Policy on Micro, Small and Medium Enterprises published in 2015, the development of MSMEs in Nigeria has inconsistent history starting from the colonial rule to the military rule and the civilian administration. The federal, state and local governments have undertaken initiatives to promote the growth and development of SMEs in Nigeria. The general

perspective is that MSMEs are seen as accelerating the accomplishment of complete socio-economic goals, including wealth formation, employment creation and poverty reduction. The small and medium enterprises sector in Nigeria is not immune from the challenges SMEs in other nations across the world face. This is because each nation's SMEs are associated with different problems. Due to the outstanding role SMEs play in transforming the nation's economy, the sector has received support from present and past administrations in past years.

2.9.1 Previous Efforts by Government to Support the SME Sector

The exit of military administration in Nigeria to a constitutionally elected government in May 29, 1999 saw numerous programmes, policies introduced and put in place with the support of multinational, regional, and donor agencies to encourage the development of the small and medium enterprises sector. The Federal Government of Nigeria has various programmes and policies aimed at promoting the welfare of SMEs development in Nigeria. The development of the SME sector facilitates employment opportunities, integrated rural development as well as intensive use of local materials for production. These measures increased the number and sizes of small and medium scale enterprises and they became the focus of stable industrialisation, income and employment opportunities aimed at improving the standards of living and economic well-being of the people of Nigeria.

In recognition of the vital roles played by SMEs, governments in Nigeria had various initiatives aimed at promoting the well-being of SMEs in the nation. The monetary and fiscal policy programme and industrial policy measures were adopted to promote the development of SME sector (National Policy on Micro, Small and Medium Enterprises 2015:21). Other initiatives by the government include venture capital, commercial finance, research and development support initiatives, entrepreneurial skills, training, infrastructure and facility development and tax holiday initiatives to mention a few were all apparatus put in place by government. The most profound among the different encouragement packages was the attention on improving the financial prospects for the SMEs. There are institutions and agencies enacted by law to support the small and medium enterprises sector. Some of the support establishments and openings created by the government to enable SMEs access growth and development in the past 35 years include:

❖ Industrial Development Centres

The industrial development centres was an initiative by the then government of

Nigeria to provide extension services to support the small and medium enterprises sector. The mandate of Industrial Development Centre includes project evaluation for loan application, capacity building and training of entrepreneurs and small business operators, planning and control, product development and lunch and other extension and support services. The Industrial Development Centers across the nation located at Benin City, Sokoto, Oshogbo, Bauchi, Ilorin, Port Harcourt, Kano, and Lagos were established in the early 1960s with the support of the Federal of Ministry of Trade and Industry. The IDCs were not maintained effectively and efficiently and were poorly funded, inadequately equipped and maintained.

❖ **Small Scale Industries Credit Scheme (SSICS)**

The Small Scale Industries Credit Scheme (SSICS) was established in 1971 by the then Military administration in Nigeria to provide technical and support services for the development and transformation of the SME sector. The establishment of SSICS led to the conception of Small Industries Credit Fund (SCIF), which supported the third National Development Plan of 1975 to 1980. The SSICS serves as a parallel contribution between the Federal Government of Nigeria and states governments to provide and make funds available for SMEs. The then Ministries of Industry, Trade and Cooperatives managed these funds across the states existing in the federation then. The scheme collapsed due to work force challenge and the required skills to monitor and evaluate projects funded by SSICS.

❖ **Peoples Bank**

The Peoples Bank of Nigeria (PBN) was established in commemoration of the 29th independence anniversary of the existence of Nigeria on the 1st of October 1989 by the President and Commander-in-Chief of the armed forces of the Federal Republic of Nigeria, General Ibrahim Badamosi Babangida in a nationwide broadcast. The purpose of the establishment of PBN was to provide soft loans for economic transformation of poor entrepreneurs. Peoples Bank of Nigeria was accorded a legal status as financial service institution provider on the 30th July 1990 by Decree No 22. The idea was to reduce the sufferings of the masses by providing credit facilities, eradication of mass unemployment at the grassroots as well encouragement of self-reliance and development at the rural areas. Other mandates of Peoples Bank include the following; provision of banking facilities to the less privileged who have no access to credit opportunities available at commercial banks, utilisation of under-utilised resources through the creation of employment opportunities amongst the rural

dweller and poor people, to indoctrinate banking traditions at the grassroots level and the elimination of exploitation of commercial banks loans facilities with high interest rates as well as elimination of rural- urban migration.

❖ **Nigeria Agricultural and Cooperative Bank (NACB)**

The Nigeria Agricultural Cooperative Bank was established on the 6th day of March 1973. The establishment of NACB was because of the frustration with the Agricultural Credit System in Nigeria over the years of their existence. According to Orjih (2002:09), Nigeria Agricultural and Cooperative Bank was established with the mandate to provide short and long term credit facilities in the agricultural related activities and sector. The purpose was to close the gap in the agricultural sector especially low savings, inadequate investments, lack of entrepreneurial skills and capacity development, to mention a few which were among the factors that led to the establishment of NACB. The bank supports the agricultural sector through the provision of credit facilities, logistic support to agricultural sector and advisory support services.

❖ **The Nigerian Bank for Commerce and industry (NBCI)**

The establishment of the Nigerian Bank for Commerce and Industry in 1973 was a giant stride by the government of Nigeria to support the small and medium enterprises sector financially. The Nigeria Bank for Commerce and Industry functioned as the apex financial organization for the SME sector in the country with a partnership and memorandum of understanding with World Bank Loan Scheme from 1981 to 1988. The total amount of N241.8million was disbursed to support the SME sector at 36.5% lower than the approval rate during the period. NBCI assisted 126 projects in conjunction with the World Bank Loan Scheme; however, some of the projects failed and were cancelled due to the inability of the project sponsors to pay their counterpart fund.

❖ **The Nigerian Industrial Development Bank (NIDB)**

The primary purpose of establishing the Nigerian Industrial Development Bank in 1962 by the government was to provide long and medium term loan facilities for industrial development and investments in the small medium enterprises sector of the economy in Nigeria. The bank focuses more of its funds in the development of large-scale industries. The total amount of funds rolled out to the development of the small

and medium enterprises sector was N174.6 million from 1980 to 1988. The bank was also in partnership with World Bank SME II loan schemes to support industrial development and 80% of the funds were utilized. The Nigerian Industrial Development Bank faced many financial constraints and was merged with other agencies to form the present Bank of Industry.

❖ **World Bank Assisted SME II Loan project**

The Federal Government of Nigeria in conjunction with the World Bank signed a memorandum of understanding in 1989 to support and develop the SME sector through the allocation of credit facilities and financial assistance to small and medium enterprises. A total sum of \$270 million was set aside through the Central Bank of Nigeria (CBN) and other participatory banks for lending to small and medium enterprises financing. The CBN approved and granted loans estimated at US\$132.8 million from 1990 to 1994. The estimated funds disbursed so far under the World Bank Assisted SME II loan project was US\$ 107.1 million and SMEs project supported were 211. In June 1996, the sum of US\$107.1 million had so far been recorded for the execution of 102 SMEs project.

❖ **The National Economic Reconstruction Fund (NERFUND)**

The Structural Adjustment Programme (SAP) policy adopted in Nigeria under General Ibrahim Badamosi Babangida military administration in 1986 by the International Monetary Fund (IMF) initiatives restructured the nation's economic policy. Many small and medium enterprises found it very hard to access and secure credits facilities for working capital and investment purposes. To bridge the resource gap for SMEs, the Federal Government of Nigeria took a bold step and established the National Economic Reconstruction Fund on January 9, 1990 and the Central Bank of Nigeria was mandated to facilitate the activities of the fund. The National Economic Reconstruction Fund objectives aimed at providing both short and long-term loans (5 – 10 years) for SMEs development at moderate interest rates. The agency supported 218 projects with a total cost of N681.5 million. The devaluation of Nigerian currency (Naira) in 2001 had serious impacts in servicing debts under the programme, most beneficiaries defaulted, and it affected NERFUND. The agency was later merged with the Bank of Industry.

❖ **The National Directorate of Employment**

The establishment of the National Directorate of Employment was another initiative by the Federal Government to promote, develop and transform the small and medium

enterprises sector in Nigeria. The Chukwuma Committee inaugurated in 1985 by President Babangida with the sole mandate to design strategies to provide job opportunities for youths in Nigeria led to the establishment of the National Directorate of Employment by Act CAP 250 of the laws of the Federal Government of Nigeria after the submission of their report to the presidency. The mandate of the agency includes creation of job opportunities, capacity development and employment opportunities related training programmes, articulates programmes aimed at developing labor intensive potentials to mention a few. The sum of N650 million was allocated to NDE and 62,000 graduates and non-graduates were empowered. For the National Directorate of Employment to fully actualise her mandate, the following broad programmes were developed. They include:

1. Vocational training and skills acquisition.
2. Entrepreneurship development and training.
3. Rural employment development and training.
4. Employment generation counseling service.
5. Resettlement of trained beneficiaries and creation of fund for SMEs development.
6. Labour - based work programme training.
7. Partnership with local and international organisations for SMEs financing.

❖ **The Small and Medium Industries Equity Investment Scheme (SMIEIS)**

The Small and Medium Industries Equity Investment Scheme was established to support SMEs in Nigeria with long-term finance as well as dealing with other bottlenecks that affects the development of small and medium scale industries development in Nigeria. SMIEIS was an initiative by the Bankers Committee through Federal Government directive. The Bankers Committee meeting held on the 21st December 1999 took a resolution and decided that 10% of commercial banks profit before taxation should be set aside as an equity investment to finance small and medium scale business.

❖ **Family Economic Advancement Programme (FEAP)**

The Family Economic Advancement Programme was an initiative of the former First Lady of Nigeria, Hajia Mariam Abacha in 1993. The programme was basically for investment promotion and poverty alleviation amongst household in Nigeria especially in the rural communities. FEAP focused on the provision of loans to promote entrepreneurship and small business development.

The demise of former Head of State /Commander in Chiefs and Military President of Nigeria, General Sani Abacha led to the exit of the programme.

❖ **National Poverty Eradication Programme**

The National Poverty Eradication Programme was established at the inception of President Olusegun Obasanjo civilian administration in 1999. The mandate of NAPEP was exclusively eradication of poverty both at local, state and national level. The administration of President Olusegun Obasanjo approved a takeoff grant of N6 billion for NAPEP. The agency has well-established structures at local, state and federal levels and operates directly from the presidency. The agency trained and empowered 100,000 unemployed youths and set them up while another 5000 youths receive vocational trainings. NAPEP was a central coordination centre for poverty eradication and were very effective and efficient. The National Poverty Eradication Programme has the following scheme:

1. Youth Empowerment Schemes
2. Rural Infrastructure Development Schemes (RIDS)
3. Social Welfare Services Schemes(SOWESS)
4. National Resources Development and Conservation Schemes (NRDCS)

❖ **Better Life for Rural Women**

The wife of the Military President of Nigeria Hajia Mariam Babangida established the Better Life for Rural Women in 1988. Better Life for Rural Women was the sole initiative of Hajia Babangida to eradicate poverty amongst rural women and female youths as well. The project aimed at enhancing socio-economic activities of rural women via agricultural extension services, skills and vocational training acquisition, small and medium business training, cottages and food processing industries, primary health care delivery services and social development awareness.

2.9.2 Current Efforts by Government to Stimulate the SME Sector

In acknowledgment of the momentous roles played by the small and medium enterprises sector in Nigeria, both past and present government in Nigeria have numerous programmes and initiatives to transform the SME sector. The vision 2020 committee set up by the Federal Government of Nigeria is a think-tank group with the primary goal and objective to re-position Nigeria to become one of the top best 20 economies globally, and to accomplish a GDP of not less than \$900 billion and per capita income of not less than \$4000/annum by the year 2020. To realize this, there is crucial need to stimulate Nigeria's economic growth and position the nation onto a

path of speedy socio- economic growth that can be sustained (Nigeria's Vision 2020 Economic Transformation Blueprint Report 2009). Therefore, government need to salvage the sector. This can only be achieved through mobilization of funds, resources, work force capability that will enhance sustainable development and transformation of Nigerian economy. Amongst the recent initiatives and efforts by the Federal Government of Nigeria to stimulate the SME sector, include the following:

❖ **Microfinance Regulatory Policy and Supervisory Framework.**

A robust socio- economic transformation and development of an economy in a nation cannot be accomplished, without establishing programmes that will reduce abject poverty through people's empowerment oriented programmes that will increase the factors of production, through credit facilities. In December 2005, the government of Nigeria through the apex bank, the Central Bank of Nigeria (CBN) established the Microfinance Regulatory Policy and Supervisory Framework in Nigeria with the sole responsibility of creating and providing sustainable credit facilities through microfinance banks to assist the small, micro and medium enterprises sector of the economy. The establishment of the policy have succeeded in the conversion of micro and community banks to a full micro finance bank, which today creates a favourable business environment and address the financial problem affecting small and micro firms in Nigeria.

❖ **The SME Restructuring and Refinancing Fund of N200 billion.**

The N200 billion funds set aside by the Federal Government of Nigeria through the bank, the Central Bank of Nigeria is primarily to enrich credit accessibility to the small and medium enterprises sector. The fund is also meant for the improvement of the financial position of commercial banks in Nigeria so that funds will be available at their reach to support and finance SME sector. The N200 billion funds is to restructure and re finance the current loan portfolios to the SME sector and it was obtained from N500 billion Bank of Industry debenture stock. The fund is kept and managed by Bank of Industry who distributes funds to selected participating commercial banks in the country for restructuring of loan portfolio.

❖ **The Small and Medium Scale Enterprises Guarantee Scheme (SMECGS) of N200 billion.**

In order to transform the small and medium enterprises sector to ensure industrialization of the Nigerian economy and thus increase credit facilities to

entrepreneurs and small business owners, the Federal Government of Nigeria established the small and medium scale enterprises guarantee scheme in 2010. The sum of N200 billion was set aside for this scheme so that commercial banks can facilitate credit facilities and loans as well as absorbing risks incurred by banks so that credit facilities can be offered to the SME sector of the economy. The entrepreneurs and small medium enterprises owners and managers with a total net worth (assets and liabilities inclusive) and staff range of 11 to 3000 are beneficiaries under this scheme. A guarantee to the tune of N100 million in forms of working capital, overdraft, and loan are meant for equipment's and assets upgrade and development.

❖ **The N100 billion Garments, Cotton and Textile Fund.**

The Central Bank of Nigeria through the Federal Government was established for the purpose of lending and credit facilities to small medium enterprises in the garment and textile sector. The fund is a special fund to resuscitate and transform the textile industry on the track of economic recovery thus enhancing the industry and brings transformation to Nigeria as a country.

❖ **The National Economic Reconstruction Fund N2 billion Facility**

The primary goal of establishing the National Economic Reconstruction Fund is to restructure and reposition the small and medium enterprises sector thus contributing to the development and growth of the Nigerian economy at large. The N2 billion naira released by the Federal Government of Nigeria is for lending to SME sub- sector of the economy. There is a mutual and memorandum of understanding involving SMEDAN, NERFUND and other stakeholder, related principal within the sector to disburse the funds to the SME sector.

❖ **Dangote Fund for MSMEs (N5 billion)**

The Federal Government of Nigeria has a partnership and memorandum of understanding with the private sector in her efforts and determination to refurbish and stimulate the informal sector of the economy. Amongst the partnership is the collaboration of Dangote N 5 billion fund for SMEs development through the Bank of Industry. The fund is meant for small, micro and medium enterprises.

❖ **The Bank of Industry Counterpart Funding Scheme (N22 billion)**

The Bank of Industry's mission is to transmute the industrial sector of the economy through the provision of business and financial support services to enterprises

development in Nigeria while the mandate of BOI is to render financial assistance for establishing small, medium and large enterprises with the purpose of expanding and diversifying existing enterprises. The major challenge of SMEs development and growth in Nigeria is funding. The Bank of Industry through its scheme signs a memorandum of understanding with the Federal Government and provides her counterpart funding to transform the small, micro and medium sector. Bank of Industry counterpart fund is N9 billion naira and state governments provided N1 billion naira as their own counterpart fund. The funds are for lending to the small and medium enterprises in each state that contributed into the scheme.

❖ **You WIN (The Youth Enterprises with Innovation in Nigeria Programme).**

The Federal Ministry of Youth Development, the Ministry of Women Affairs and Social Development as well as the Ministry of Communication Technology are in partnership with the Youth Enterprises with Innovation in Nigeria (You WIN). The idea behind You Win is to encourage young and ambitious entrepreneurs. The impression of this synergy in conjunction with the Federal Government of Nigeria is to create an enabling environment and provide a platform to show case young entrepreneurs with skills and innovations. The impression is to create more jobs opportunities amongst unemployed youths in the country and the programme is facilitated and monitored by the Small Medium Enterprises Development Agency of Nigeria (SMEDAN).

❖ **Campaign for Patronage of Locally Made in Nigeria Products.**

The Federal Government of Nigeria recently embarked on a national campaign to buy made in Nigeria goods and services. The initiative by government is to stimulate the SME sector of the economy. The aggressive campaign has provided adequate market for locally made in Nigeria products. The initiatives provided market accessibility, thus enhanced the income and turnover of the SME sector, and thus make the sector more vibrant and competitive.

❖ **The National Enterprises Development Programme (NEDEP)**

The Federal Government of Nigeria took a bold step by establishing the National Enterprises Development Programme (NEDEP) in 2013 with the sole mandate of creating 1 million jobs annually across the nation in order to support the SME sector as well as making those employers of labour hence creating a sustainable enterprises country. The National Policy on Micro Small and Medium Enterprises Report

published in 2015 indicated that, there are well over 37.07 million micro and small medium enterprises in the country. With this impressive figure, Nigeria can be regarded as a nation with an entrepreneurial culture. The activities of the SME sector have not really been met due to unfavourable business climate, which has resulted in the death of many small businesses established in the first two years of existence. The National Enterprises Development Programme (NEDEP) is a planned agency created out of necessity, expected to enhance enterprises development by addressing the critical factors that have subdued the growth of the sector in Nigeria. NEDEP major areas of priority are as follows:

- ❖ Improved a favourable business operating climate for SMEs in Nigeria
- ❖ Support institutional and legislative framework
- ❖ The development and review of the National MSME policy framework
- ❖ Developing business development skills for entrepreneurs
- ❖ Promoting youth participation/inclusion
- ❖ Developing technical skills for MSME operators
- ❖ Embarking on strategic measures to decrease the high operating cost for MSME operators
- ❖ The implementation of a healthy monitoring and delivery structure.

The National Enterprises Development Programme (NEDEP) has three main implementing organisations namely:

- ❖ The industrial Training Fund
- ❖ The bank of Industry
- ❖ The Small and Medium Enterprises Development Agency of Nigeria(SMEDAN)

The National Enterprises Development Programme (NEDEP) proposed the following:

1. Creation of 3.5 million direct jobs within 3 years of existence
2. Increase the Gross Domestic Product (GDP) to 54%

2.10 Concept of Monitoring and Evaluation

The dawn of globalization requires government and departments to be more effective and responsive to the demands of both internal and external stakeholders for good governance, transparency, accountability, efficiency, effectiveness, optimum services and delivery of tangible results. Stakeholders are more interested in better service performance and this can be achieved through enhanced monitoring and evaluation of

policies as well as programmes in the public sector. Policies are essential instruments for improving governance and delivery functions, as these guide implementers bringing about the anticipated change and thus improving the quality of life of citizens in a certain nation (Ile, Eresia- Eke, and Allen- Ile, 2012:01). Monitoring and evaluation (M&E) are tools mostly used by government departments to achieve desired results through good performance feedback mechanism. Although, there have been recent developments in the concept of monitoring and evaluation involving a shift from traditional implementation based approaches to new results based approaches.

Evaluation should be viewed as a systematic process when comparing explicit and implicit policy objectives with the real or anticipated results (Cloete, Wissink and De Coning, 2006). The effective utilisation of systems, which includes programme evaluation and review methods, can enrich the success of policy implementation. Public officials can enrich evaluation culture through commitment and provision of high quality services to the society. According to Public Service Commission Report (2008:03), monitoring is a constant and nonstop function that uses a systematic collection of data on quantified indicators that provide management and stakeholders of an ongoing development interference with indications of the extent of progress and achievement of objectives in the use of allocated resources while evaluation on the other hand, is a systematic and objective assessment of an on- going or completed project, course, policy, design, implementation and results. The purpose is to decide the relevance and accomplishment of objectives, effectiveness, development efficiency, impact and sustainability. An evaluation should offer information that is reliable and beneficial, enabling the integration of lessons learnt in the decision making process of both recipients and donors. It is a systematic process of determining the value or importance of an activity, programme or policy. Evaluation is also an assessment, as methodical and objective of a planned, ongoing, or accomplished development intervention. It is imperative to note that evaluation in some cases does involve the definition of suitable standards, examination of performance against those standards, the assessment of actual and expected results as well as identification of important lessons.

Monitoring checks the progress made so far towards the achievement of a goal or objective and it involves comparisons because the actual performances of

programmes or projects are compared with expected results. An effective monitoring system will give early cautioning on the implementation of a course of action so that the end goal will be achieved as planned. An evaluation also determines merit or shortcomings because it helps to pronounce judgement one needs and a standard of what is considered as laudable to compare with. For example, the statement “a high quality service provided met the essential needs of clients and enhanced their conditions” is an evaluation. However, the evaluation will be better pronounced if “quality, needs and enhancement were quantified.

2.10.1 Purpose of Monitoring and Evaluation

Monitoring and evaluation ensures that solid results are achieved in government establishments. Monitoring and evaluation are used for various purposes, which determine the particular direction of each evaluation. Monitoring and evaluation (M&E) core purposes are influenced by the particular orientation of each evaluation. According to Public Service Commission Report (2008:05), the purpose includes the following:

I. Management Decision Making

Monitoring and evaluation supplement managerial procedures and offer evidence for decision -making. It is very important to ask questions concerning the quality of M & E information provided whether it is appropriate and how effective and efficient it feeds into present processes at managerial level. Monitoring and evaluation supplements management and will never be substituted for good management practices. The decisions on the allocation of resources, choices between contending plans and strategies to accomplish same goals, policy decisions as well as decisions on the programme design and the implementation are all used in monitoring and evaluation context.

II. Organisational Learning

Monitoring and evaluation findings and outcomes assist in organisational learning. According to Public Service Commission Report (2008:05), learning is a constant and self-motivated process of inquiry where the key essentials are experience, knowledge access and importance. It also involves a culture of examination and investigation, rather than one of response and reporting. However, interpreting the outcomes into learning often creates problems and even sophisticated for organisations. M & E is also a research instrument used to explore the programmes and designs as well as

solution to problems that emanates in the society by determining what will work best and why as well as the operational process and programme design that will create the best value for money and other resources. The information gathered here at any time should be interpreted into logical and action- oriented reports that assist effective and efficient decision-making. Monitoring and evaluation help producing new knowledge. Knowledge management involves capturing outcomes, institutionalising learning and coordinating the wealth of information produced persistently by the monitoring and evaluation systems.

III. Accountability

Monitoring and evaluation provide the necessary information in a systematic, well-structured and formalised method, which allows inspection of all activities at various levels in the public service. Civil servants and political office holders in public sector should be carefully accountable and must be responsible for how they utilised public fund and resources, the purposes for which the fund and resources has been allocated for and how they have gone about their responsibilities with a high degree of honesty and credibility. M & E refers to policing because it creates culture of fear and suspicion amongst civil servants and public office holders when dealing with public funds because it enhances accountability in the public sector.

IV. Soliciting Support for Programmes

The success of programmes or projects in the public sector is determined by how effective and efficient the monitoring and evaluation system are. Therefore, M & E solicit supports for programmes success.

V. Supporting Transparency

Monitoring and evaluation findings are always published and open to the public, which also requires enthusiasm subjected to inspection. This encourages and promotes transparency, which enhances the facilitation of accountability and thus decision making in the public sector.

VI. Promoting Advocacy

Monitoring and evaluation reports on projects and programmes completed assist in dispute, modification, continuation or termination of such projects and programmes. Therefore, M&E provides the platform in support or rebutting arguments, clarifying matters, promoting understanding and underlying logic of programmes, policies as

well as detailing the programme execution, thus creating an institutional memory, linking more people in the design and implementation of such programmes and plays a vibrant advocacy role.

2.10.2 Monitoring and Evaluation in the Policy Process

Policy monitoring is approximately ensuring that spelt out plan, which is a vital tool to ensure success of events, and programmes are on track towards achieving desired results and outcomes. Therefore, monitoring can now take place appropriately well as a plan, thus confirms that the activities are undertaken as planned and anticipated. Monitoring is a facet of the control role of management that pursues to ensure that real performance is in line with estimated “planned- for” performance and any gap are addressed (Isioma Ile *et al* 2012:01). According to Isioma Ile *et al* (2012:20), Policy monitoring encompasses the following amongst others:

- ❖ It ensures effective efficient utilisation of resources
- ❖ Policy monitoring ensures that programmes activities comply with policy implementation and planning. It also indicates if there is connection and alliance between the policy, as well as the activities of an institution or government establishment.
- ❖ It gives progress report to management on work executed and completed.
- ❖ It helps in tracking issues with urgent attention and intervention and corrective measure.
- ❖ It helps in gathering vital information on inputs, outputs, outcomes as well as environmental factors for top management in decision making.

The stages of problem identification, determining policy goals and objectives, examining policy options and taking policy decision are very critical and complex, which involves many layers of stakeholders such as civil society, political parties, the legislative arm, executive arm, the judiciary arm of government, government ministries and departments (Public Service Commission Report 2008:08). When policy decision is taken into consideration, government parastatals and agencies initiate the process flow and the design of programs as well as the detailed planning and implementation of the program. In order to confirm that implementation proceed as scheduled and that the foreseen objectives are achieved, then the programme must be adequately monitored and evaluated. It is fundamentally necessary to understand

where monitoring and evaluation fits in the policy – making and implementation in order to ensure effectiveness and efficiency of programmes and projects.

There are several models in policy process, which are very significant at each phase. In addition, some phases are very similar to the process model (Ile and Garr 2011:02). The phases are as follows:

- ❖ **Setting the Agenda:** The first phase is agenda setting. There are many issues to address and government cannot address them all. Therefore, agenda need to be set with key issues as priority.
- ❖ **Determining how to Decide:** This emphasise on how polices are been constructed. The involvement and key contributions of key stakeholders in the policy process is key and fundamental.
- ❖ **Forecasting and Issue Definition:** This platform is an opportunity for the stakeholders to engage in the policy process. It is very unlikely that the policy would be suitable if it does not satisfactorily define and address issues and forecast solutions appropriately.
- ❖ **Setting the Objectives and Priorities:** It is apparent that as soon as issues are clearly defined, key aspects are targeted, and then the objectives need to be set so that it provides indicators that the implementers can work towards.
- ❖ **Option Analysis:** As soon as the goals and objectives are cautiously formulated, there is need to develop policy options and analysis. Thereafter, the most viable options are selected and the problems within a specific context are addressed.
- ❖ **Policy Implementation, Monitoring and Evaluation:** Once a decision is made and policy developed, then it must be communicated and ready for execution immediately. It does not necessarily mean that a good policy will accomplish the expected results and outcome. There is need for monitoring and implementation while the policy needs to be evaluated from time to time in order to determine its impact.
- ❖ **Policy Termination:** When policy no longer serves its purpose and no more relevant, then such policy should be revised or terminated immediately because it becomes problematic and issue.

2.10.3 Practical Steps in Public–Policy Monitoring and Evaluation

1. Make a decision to evaluate and follow through: It is very important to critically take a decision before carrying out evaluation process because it can lead to multifaceted task that could consume resources.

2. Develop a comprehensive philosophy for the evaluation task: It is very imperative that philosophy that tends to improve government activities needs to be communicated effectively. Therefore, reiterate the non – punitive nature of the evaluation exercise and manage any misgiving that may come about because of the evaluation processes.
3. Simplify what exactly is being evaluated: These includes cost, benefit and impacts
4. Simplify the strategy and design for executing the evaluation: This step talks about “how” for a successful evaluation. It tends to provides answers to the following:
 - Evaluation will be comprehensively carried out or not. (Which aspect of the entire policy need to be evaluated?)
 - Evaluation will be fragmented or not? (What parts of the policy need to be evaluated?)
 - Evaluation will be concurrent or what? (Will the evaluation process spread across multiple functions, organs of government simultaneously?)
 - Evaluation will comprise both internal and external role players or not?
 - Evaluation will be participatory in nature, which involves various stakeholders and parties, or not?
5. Planning in details for evaluation activity: Policy evaluation requires a comprehensive planning and the following; what, who, how, when, and where. Planning is strategic in nature, it seeks to achieve “how” evaluation will achieve its goals predetermined objectives and goals.

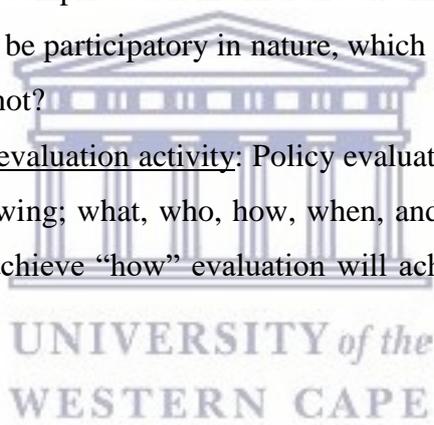


Table 2.4: Basic planning template for evaluation purposes

What activity need to be taken	How will the activities be performed	Cost implication and source(s) of funds	Who is responsible for the activity	Time frame

Source: Ile, Eresia- Eke, and Allen- Ile, (2012:01).

The template for evaluation purpose helps in the magnitude of work required in the evaluation process. In addition, it assists implementers on how to break their task and complete it. The criteria for assessments, objectives and set goals are also considered in the evaluation process. The following components included in the evaluation plan are:

- Procedural considerations – designing of evaluation instruments and tools, intervals for data collection and data collection related issues.
 - Evaluation of the resource needs - personnel, infrastructure, resources are required and needed.
 - Development of evaluation framework (indicators and targets inclusive) to enable assessments – The development of suitable indicators helps and determines the level, which changes are ascribed to a policy, which in the end provides ethics against which measurement, and assessments are done.
6. Implementation of evaluation plans and activities.
 7. Preparation of evaluation reports with a clear direction of policy recommendations.

2.11 Selected Legislative and Regulative Frameworks for SMEs Development in Nigeria

The national policy on small and medium enterprises in Nigeria provides an appropriate institutional and legal framework for the promotion and support the development of SMEs and their full integration into key concerns of national economic policy. The regulatory environment constitutes an important component required to ensure the growth and development of a viable and vibrant SME sub-sector of the economy. The regulatory environment includes all the stipulated conditions, rules, as well as government policies, guidelines that dictate the setting up of SMEs and influence their mode of operations. Institutions were established under enacted acts, laws by the government to provide relief to and the development of small and medium enterprises in Nigeria. However, the researcher emphasised that the SME sector is yet to find its bearing in the murky waters of Nigeria's business environment, as well as political and economic factors that mar the administration of these institutions to achieve their goals. Although, policies and regulations targeted at the promotion of micro, small and medium enterprises in Nigeria to mention a few are as follows:

2.11.1 The Constitution of the Federal Republic of Nigeria

The constitution of the Federal Republic of Nigeria as amended in 1999 is regarded as highest, supreme in Nigeria. The provisions in the constitutions are binding to all the citizens, people living in the country and authorities all over Nigeria. The submission and binding of the 1999 constitution in Nigeria was because of the transition from military to civil rule in May 29, 1999 when the military administration in Nigeria

successfully handed over power to a democratically elected civilian government after many years of military dictatorship. It is a known fact, that the country gained its independence on October 1st 1960 and became a republic in 1963. The constitution of Nigeria shall triumph and prevail over all other laws or legislations and as such, the laws and legislation shall all be regarded as null and void.

The 1999 constitution clearly stated in chapter 2 section 14 (2) (3) that the National Assembly shall be set up by an Act with the sole responsibility and power; to access periodically ownership and control of business enterprises functioning in the Federal Republic of Nigeria and from time to time, make recommendations to the President and Commander -in - Chief of the Armed Forces of the Federal Republic of Nigeria. The constitution also stated in the same section as explained above, but under (3) b, that the state (Nigeria and the 36 states of the federation) shall control and operate the economy but without any prejudice, the citizens of the Federal Republic of Nigeria shall also participate and operate in the major economic activities and other relevant key sectors of the economy. Although, the constitution did not clearly state laws and legislations supporting the informal sector, however, powers have been vested upon the National Assembly at national level as well as House of Assembly at state level to pass laws, policy frameworks and legislations that will supports and enhance the transformation, growth and development of the micro, small and medium enterprises sector in Nigeria.

2.11.2 Nigerian Investment Promotion Commission

The Federal Government of Nigeria in 1995, under the leadership of the former President of Nigeria, late General Sanni Abacha established the Nigerian Investment Promotion Commission by the NIPC Act No. 16 of 1995 with the mandate to monitor, promote and co-ordinate all the investments (either small, micro or big) in Nigeria. The NIPC Act No. 16 of 1995 specifically prescribed the basic powers as well as the functions of the commission. The Act that established the NIPC granted the Commission a perpetual succession and thus a common seal to operate effectively and efficiently under law. The Nigerian Investment Promotion Commission is mandated by law and empowered to carry out the following duties and responsibilities, amongst other things to include:

- ❖ Provides assistance, monitor and coordinate the establishment of enterprises and other operational activities involving enterprises in Nigeria.
- ❖ Provides a conducive business climate that support development of investment for both Nigerian and foreign investors.
- ❖ Expedite the promotion of businesses and investments through effective promotional methods within and outside Nigeria.
- ❖ The Nigerian Investment Promotion Commission assists in collecting, analysing and publicizing relevant information about various investment opportunities in Nigeria. Such opportunities to mention a few include business advisory services, source of raising capital, business partnership, dissemination of adequate information on the benefits available to potential investors as well as the suitability and availability of joint venture initiatives.
- ❖ The Nigerian Investments Promotion Commission keeps database of all business enterprises that falls under NIPC Legislations Act in Nigeria.
- ❖ NIPC act as intermediary between potential investors and government ministries, agencies and other relevant institutions responsible for investment related issues in Nigeria.
- ❖ NIPC organise lectures, seminars, exhibitions, conferences as well as participation in investments promotional activities that will stimulate investments growth and development in Nigeria.
- ❖ The Nigerian Investment Promotional Commission act as an advisory agent on issues related to policy related issues, fiscal and promotion of trade and investment issues as well as other functions as subscribed in the NIPC Act.
- ❖ Assess the impact of investment related issues in Nigeria and make suitable recommendations for improvements.

2.11.3 Corporate Affairs Commission

The Company and Allied Matters Act 1990 led to the establishment of the Corporate Affairs Commission due to ineffectiveness and inefficiency of the Company Registry Unit of the Federal Ministry of Commerce and Tourism. The Federal Ministry of Commerce and Tourism is solely responsible for company registration and administration under the abolished Companies Act of 1968. The Corporate Affairs Commission established under the Company and Allied Matters Acts 1990 is mandated by law to provide world class and outstanding regulatory services and are dedicated to meet the stakeholder's anticipations for the benefit of the nation's

economy. Amongst the services rendered by CAC as stipulated in Section 7 of Companies and Allied Matters Act, include the following:

- ❖ The formation, incorporation supervision, management as well as winding up of companies are the sole responsibility of the Commission in Nigeria.
- ❖ Corporate Affairs Commission incorporates and registers both private and public company. In other words, they register business names. The Commission is saddled to register a business either private or public in Nigeria. This is done through availability and reservation of name.
- ❖ The Commission arrange and carry out enquiry in the interest of a business or company where the welfares of stakeholders and the entire public so demand.
- ❖ Corporate Affairs Commission also registers incorporated trustees and Non-Governmental Organisations.

2.11.4 Industrial Training Funds

The Industrial Training Fund was established by Decree 47 of 1971 and amended in 2011 Industrial Training Fund Act. With well over forty years of existence, the Industrial Training Fund has contributed immensely to the nation's economy through work force, skills and development initiatives programmes. The ITF vision is to be the leading organisation known for skills acquisition and development in Nigeria and beyond, with a mission to set and control standards while offering both industrial and commercial skills, training and development through highly distinguished experts and technical knowhow as well as sophisticated technology. These schemes have transformed various sectors of the economy. Industrial Training Fund became a full parastatal in 1981, and as part of ITF mandate, the Industrial Training Funds offers the following to mention a few:

- ❖ Apprentice and vocational training
- ❖ Training and capacity building
- ❖ Consultancy and research services
- ❖ Human resources development training
- ❖ In house and manpower capacity training services for businesses and other industry
- ❖ Information technology training
- ❖ The Industrial Training Fund provides and administers students industrial work experience scheme (SIWES). Funds allocated to SIWES enhance capacity building

self-reliance, self-sustainability youth employment generation in from of small and medium scale initiatives which drives the economy forward.

2.11.5 National Economic Reconstruction Fund

The National Economic Reconstruction Fund (NERFUND) was established and promulgated by the former Military Head of State and President of Nigeria, General Ibrahim Badamosi Babangida in 1989. The National Economic Reconstruction Fund was established by the NERFUND Act, Cap.254, 1990 under the laws of the Federal Republic of Nigeria with a vision to build a financial institution that is a world class standard with honesty and integrity, transparency, professionalism and efficient service delivery. The fund was established to cater for and support the development and growth of local small, micro and medium enterprises through short and long-term financing.

The National Economic Reconstruction Fund main objectives include the following:

- ❖ NERFUND provides both short and long-term facilities to finance the agro- allied micro, small and medium enterprises as well as the ancillary services industry in the country.
- ❖ The National Economic Reconstruction Fund a partner with contributing commercial banks who lend to small, micro and medium enterprises. The purpose is to facilitate the promotion and development of the SME sector in Nigeria.
- ❖ Other activities carried out by NERFUND include the stimulation of economic growth and development through wealth creation, reconstruction of the economy by empowering people's life through creation of employment opportunities. These are achieved through financial support to the informal sector of the economy.

2.11.6 Microfinance Development Policy and Legislative Framework

The Central Bank of Nigeria quarterly bulletin report published in 2013 indicated that the financial service institution (commercial banks) in Nigeria only accommodates and offers financial services to 35% of the nation's population who are economically vibrant (informal sector) while the remaining 65% are excluded from the financial services provided. The banking sector in Nigeria is not perfectly regulated by the Central Bank of Nigeria (CBN), and it has severe impacts in transforming the informal sector of the economy. Many a times, friends, relatives, moneylenders with high interest rates, cooperative societies and few Non-Governmental Organisations often finance and provide limited credit facilities to the informal sector. The

implication of this is that, the informal sector cannot achieve a robust growth and thus poverty remains rampant in the country.

Therefore, empowering people with entrepreneurial skills through self-reliance, self-sustainability cannot be fully achieved. The inability of the apex bank to adequately monitor and provide oversight function to some of the activities of these banks has severe insinuations for the Central Bank of Nigeria because the CBN has the sole mandate to regulate and promote monetary steadiness, a healthy and sound financial system in Nigeria. To modify, and promptly close the colossal gap created by commercial banks inability to sufficiently fund the informal sector in the country, the apex bank, in line with the provisions of Section 28, sub-section (1b) of the CBN Act 24 of 1991, as modified in fulfilment of the provisions of Sections 56 - 60 (a) of the Banks and Other Financial Institutions Act (BOFIA) 25 of 1991 ratified the National Policy Framework for Microfinance in Nigeria. The policy would not only provide sustainable short and long-term finance, rather provide monetary stability, financial structure base required to turnaround the micro, small and medium enterprises sector. The primary objectives of the establishment of the microfinance policy framework are as follows:

- ❖ To provide exceptional financial services and make it reachable to potentially industrious Nigerians in the informal sector of the economy who have difficulties in accessing loans and financial assistance from commercial banks.
- ❖ To integrate and promote a collaboration amongst the informal sub sector into a national database financial system.
- ❖ The establishment of microfinance policy and framework in Nigeria promptly boost the services provided by microfinance banks to the informal sector (micro, small medium and entrepreneurs).
- ❖ The policy promotes linkage programmes amongst microfinance banks and development/ specialized financial institutions in Nigeria and beyond.
- ❖ It supports rural development and transformation.

2.11.7 Directorate Act Cap 250 1989 (Gazette No 61, 1989)

The former Military Head of States and President of Nigeria, Ibrahim Babangida regime established the Directorate Act, Cap 250, published in the Federal Government of Nigeria Gazette No 61 on the 20th day of October 1989. The act

established and gave the National Directorate of Employment (NDE) a legal backing. The mandate of the National Directorate of Employment is to tackle employment problems in both short and long-term perspective by formulating and administering job creation and self-reliance in preference to wage employment. The law establishing NDE presented its mandate as follows: to design and implement programmes to combat unemployment, to collect and maintain a data bank on employment and vacancies in the country with a view to acting as a clearing house to link job seekers with existing vacancies in collaboration with other government agencies, to articulate policies aimed at developing work programmes with labour intensive potentials and to implement any other policies as may be laid down from time to time by the board established under section 3 of its enabling act. To actualise her mandate, the directorate developed various strategies to reduce unemployment in the country, which include the following programmes:

- ❖ The vocational skills acquisition training
- ❖ Entrepreneurship development trainings
- ❖ Training for rural employment and development
- ❖ Training for labour – based works programme
- ❖ Employment counselling services
- ❖ Small business enterprises creation fund and resettlement of trained beneficiaries

2.12 Problems Associated with the Development and Growth of SME Sector in Nigeria

The small and medium enterprises sector in Nigeria today has not made the expected impact required to turn around the nation's economy despite the efforts made so far by the government and her institutions to resuscitate the sector. The federal government, in the past, set aside funds and statutory budgetary allocation to develop the SME sector in Nigeria, yet the expected results so far are not encouraging and impressive. Also, multinational and regional organisations as well as specialized agencies such as Department for International Development (DFID), United States Agency for International Development (USAID), World Bank, International Monetary Fund (IMF), African Development Bank (AFDB) and other Non-governmental organisations (NGOs) to mention a few supported the SME sector with funding, counterpart funding and grants but nothing perceptible and momentous to

show for in the SME sector thus far. According to the National Policy on Micro, Small and Medium Enterprises Report (2014:18), the SME sector in Nigeria has fallen beyond its expectations and the situation is disturbing when compared with the impacts and affirmative results achieved so far by SMEs in other developing and developed nations across the globe. The United States of America, Germany and South Korea SME sectors have momentous impacts and accounts for as high as 68% to industrial employment while Nigeria accounts for 32%, which is far less than the developed nations (Alabi, Alemazung, Bass, Gutowski & Kappel, 2011). Previous literatures revealed that, there exists a significant relationship between the levels of poverty, famine, unemployment, economic well-being (standard of living) of the citizens of nations and the degree of enthusiasm of the respective country's SMEs sector. Many factors have been identified and admitted as being possible causes, confronting the development of the small and medium enterprises sector in Nigeria.

The National Policy on Micro, Small and Medium Enterprises Report (2014:18), indicated the following challenges facing the micro, small and medium enterprises sector in Nigeria. They are as follows:

1. Inadequate infrastructural facilities

In Nigeria today, the basic amenities and facilities to boost the small and medium enterprises sector are not operational. The infrastructural facilities such as good road network, water, communication, effective and efficient transportation system are outdated and dilapidated. The systems are not working well and as a result, it has negative impacts in the development of the sector because of the facilities that are non-operational. The small and medium enterprises sector in Nigeria finds it difficult to thrive in an environment with little or no good infrastructural facilities.

2. Lack of access to funds and credit facilities

The major problem facing small and medium enterprises development in Nigeria is accessibility to funds and credit facilities from financial institutions as well as from government. Sourcing for funds to support SMEs development is critical to develop that sector, however, in Nigeria; most small businesses only survive their first three years of existence and fold up due to inadequate funding and credit facilities. Financial institutions and other credit institutions hardly support start up small businesses in Nigeria; because of the high risk involved. Bank requirements are very

tough to meet. The requirements include collateral, bank guarantee from government departments, company tax, proof of 5 years' business existence, 3 years' statement of account to mention few, which are very difficult for SME operators to get. In other words, few of the financial institutions who are willing to offer credit facilities to small businesses charge ridiculous rates and hidden charges, which do not support the development and growth of start-up small business development.

3. Bureaucracy and administration bottlenecks

Bureaucratic bottlenecks, ineffectiveness and inefficiency amongst the various tiers of government and other parastatals in Nigeria affect the development of the small and medium enterprises sector. Incompetence from government institutions and officials are major setback in developing SME sector in Nigeria. The phrase "I don't care syndrome and attitude amongst public servants" make things worse and difficult. These discourage entrepreneur's morale and thus have negative impacts on the sector.

4. Lack of entrepreneurial skills and capacity building knowledge amongst entrepreneurs

Entrepreneurial skills, capacity building and development are key and essential in the development of small business in Nigeria. The majority of small business operators and entrepreneurs have little or no business ideas required to start and manage small business effectively. Most of the entrepreneurs do not survive the first three years of being into business due to the foundations and required skills to run small business. Often time, they do not have the knowledge to draw up and package their business plans or proposals.

5. Research and development problem

Research and development are fundamentally vital to sustain growth and development of any nation. In Nigeria today, most of the research institutes and incubation centres are not effective and redundant. The government does not fund the research institutes adequately and as at when due, which have adverse, effects on output and thus affects ideas, innovations and creativity. Most of the resources at the incubation centres and research institutes are obsolete and some facilities cannot be harnessed for research and output purpose.

6. High dependence on imported materials

The majority of consumables in Nigeria are imported and Nigerians appreciate foreign and imported goods to locally made products. Overdependence on foreign goods has negative impacts on the nation's economy, thus discourages local production, and affects small business growth development. Government officials and a majority of Nigerian citizens do not patronise locally produced goods and service. The dumping of foreign made goods and service and sourcing for locally made goods services (local content) will boost the small and medium enterprise sector in Nigeria and thus boost economic development and increase the nation's gross domestic product.

7. Corruption and nepotism

Corruption and favouritism is a major problem in the nation. Elected government officials and career civil servants are corrupt and self-centred. The mentality of stealing from the government purse and to extort people should be expunged from their mind-set. This results in high cost of doing business and discourages entrepreneurs. Favouritism is also common amongst staff of government departments and parastatals when discharging their duties and responsibilities. The majority of the beneficiaries of government facilities such as loans, capacity development and trainings are people well known to staff of ministries, departments and these people are not qualified for these benefits and packages.

8. Unfavourable economic and government fiscal policies

Unpleasant economic and fiscal policies affect the growth of small business in Nigeria. Multiple taxes, rates, levies and unfair trade practices affect the growth of the SME sector because they are inconsistent. A favourable and pleasant economic policy encourages business growth and survival.

9. Multiplicity of regulatory agencies

This is a major problem in Nigeria and thus, it discourages small and medium enterprises development. Multiplicity of agencies in a department and at state and local government level complicate duties and responsibilities, which dishearten entrepreneurs. Parastatals and agencies should be merged and function well to transform and develop the SME sector.

10. Lack of good policies and legal regulatory framework

Government policies are not friendly for SMEs development in Nigeria. There is a need for effective and efficient regulatory framework policy under one regulatory agency to coordinate and regulate the activities of the SME sector in Nigeria. This will help regulate, coordinate and sustain the sector effectively and efficiently enable good results.

11. Inadequate managerial and entrepreneurial skills amongst government officials

It is a fact in government departments and parastatals that employees have no updated knowledge about entrepreneurial skills and managerial skills needed to train and re-train youths and prospective entrepreneurs. There is need for capacity building, in-house training and overseas training if necessary. This will help and transform the sector.

2.13 Historical Background of Small Medium Enterprises Development Agency of Nigeria

The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) was established under the administration of President Olusegun Obasanjo and passed by the National Assembly under act No 16 of the laws of the Federal Government of Nigeria in June 19, 2003 (NPMSME, 2004:4)). Its headquarters is situated in Abuja with branch offices across the nation. The agency's mandate is to promote and facilitate development programmes in the small and medium industries subsector in Nigeria. Their vision is to establish well-structured and effective SME sector that will accelerate sustainable economic development Nigeria. The Small and Medium Enterprises Development Agency of Nigeria mission is to facilitate the access of micro, small and medium entrepreneurs as well as investors to all the resources required for their development.

The agency positions itself as a "one stop shop" for small, micro and medium enterprises development. A well-developed and equipped SME sector has been proven as the most accurate methods to battle poverty and unemployment. Therefore, the establishment of SMEDAN is therefore justified by the need to trigger the development and growth of Nigeria's SMEs sector in a structured and efficient

manner. The target recipients include prospective entrepreneurs and investors, small, micro and medium enterprises, SMEs support institutions, Non-Governmental Organisations, and Business Membership Organisations as well as the Federal Government. SMEDAN is the coordinating head of all institutions relating to starting, resuscitating and growing small businesses in Nigeria with the following mandates:

- ❖ Coordinating, stimulating and monitoring the development of the small business sector.
- ❖ Initiating policy ideas for small and medium enterprises growth and development.
- ❖ Facilitating the promotion of infrastructure and support services to accelerate the development and modernisation of SMEs operational activities.
- ❖ Serves as vanguard for poverty reduction, creation of employment opportunities, enhancing rural livelihoods and rural industrialization.
- ❖ Connecting SMEs to internal and external sources of finance, appropriate technology, technical skills as well as to large businesses
- ❖ Act as intermediary between MSMEs and government.
- ❖ Collaborating with both private and public agencies to create an enabling environment for small business development.
- ❖ Connecting small and medium enterprises to internal and external sources of finance, technical skills, and appropriate technology as well as large enterprises.
- ❖ SMEDAN partner and work with private and public institutions to create an enabling environment favourable for small business growth and development.

The Small and Medium Enterprises Development Agency of Nigeria is guided under the following principles:

- ❖ Outreach: SMEDAN reach out to many small and medium enterprises in order to achieve the goal of an MSME led economic development, provision of job opportunities and industrialisation.
- ❖ Sustainability: Small and Medium Enterprises Development Agency of Nigeria established exit plans, whenever necessary to avoid over-dependence on subsidy.
- ❖ Impact: The agency is well determined, committed to delivering measurable results.
- ❖ Efficiency: SMEDAN appreciates quality and effective service delivery in the most cost-efficient approach.

The Small and Medium Enterprises Development Agency of Nigeria as the coordinating establishment has the following core goals and related programmes:

- I. Sourcing, processing and dissemination of business information: The agency is mandated to establish and frequently update the data bank of small, micro and medium enterprises, markets availability to raw materials, local technology, machinery and prototypes.
- II. Policy development: SMEDAN formulates and ensures that there is due approval and implementation of MSME policy in Nigeria. The agency conducts impact assessment studies and uses some to applaud improvements in policy intervention as well as conducting regular stakeholders meeting.
- III. Establishment of Business Supports Centres (BSCs): The purpose of establishing the support centres is to assist in the following ways:
 - ❖ Business development consultation
 - ❖ Coaching and mentoring professional services which include Book Keeping, Accounting and financing
 - ❖ Taxation and legal support services
 - ❖ Technology assessment and industrial dynamics
 - ❖ Business planning, skills and modelling
 - ❖ Demonstration models to private sector service providers
- IV. Promotional services and capacity building: The agency engaged in the following capacity development programmes which includes:
 - ❖ Vertical linkages of MSMEs with large enterprises
 - ❖ Facilitation of trade and technological show
 - ❖ Provision of market support information system through SMEDAN web page
 - ❖ Organising MSMEs into clusters to enhance productivity and easy access to factors of production as well financial supports
- V. Establishment of industrial park and development centre: The agency through public private partnership initiative facilitates the establishment of industrial parks as well as regional SME developments centres. The parks have facilities such as building, service providers, buying centres, innovation centres to mention a few with cost – sharing basis.
- VI. Improve access to financial assistance: The agency partners with financial institutions to harness and pool resources for effective and efficient utilization of micro, small and medium enterprises development. SMEDAN also develops a platform to implement a strategy to effectively and timely disburse funds. The agency partner with foreign agencies and regional organisations to develop the SME sector. In addition, there is

partnership between SMEDAN and Non-Governmental Organisation, donor and multilateral agencies and other research and technological institutions that provides credit guarantee schemes to MSMEs.

The Small Medium Development Agency of Nigeria is an organization under the Federal Ministry of Trade in Nigeria. The agency reports directly to the Minister of Trade and Productivity and Minister of State for Trade and Productivity respectively. SMEDAN has governing council, board of directors; management team as well as a special adviser on SMEs development attached to the presidency. Delegation of authority involves too many powers hence, duplication of roles and responsibilities, which make it very challenging SMEDAN to achieve its responsibilities.

2.14 Chapter Summary

This chapter discussed the literature review; theories and conceptual framework of SMEs that could help comprehend the research study. The three theories discussed in this chapter: agency, stakeholders and knowledge management theories have been established to be the major models for philosophical discussion and research in the field of public administration and management. The theories discussed provide a comprehensive and clear understanding of the nature of the Small and Medium Enterprises Development Agency of Nigeria and other key relevant stakeholders. The chapter also emphasised and analysed on developmental issues, which abound in the small and medium enterprises sector from the pre independence and post-independence era in Nigeria. The study went on to review literatures on SMEs policy, implementation and challenges thereof. The government intervention programmes to support the sector as well and major problems facing the sector were discussed further. The researcher further explored literatures on small and medium enterprises and realised some gaps, which represents inefficiency, ineffectiveness, impact and sustainability. However, the researcher further argued that for all this system to perform effectively and efficiently there is a need for effective and efficient monitoring and evaluation of the small business sector activities. Also, more needs to be done on accountability, responsibility and policy implementation. The next chapter focuses on the global context of SMEs institutional and policy framework put in place including monitoring and evaluation framework from global view with case studies. The chapter will also emphasis on legislative and regulative frameworks governing the small and medium enterprises sector.

CHAPTER THREE: GLOBAL PERSPECTIVE OF SMEs LEGISLATIVE AND INSTITUTIONAL POLICY FRAMEWORKS

3.1 Introduction

This chapter highlights the institutional policy frameworks and regulations for micro small medium enterprises development put in place by the government and relevant stakeholders in selected countries such as Australia, Canada, Malaysia, and South Africa, who have achieved significant records in the transformation and development of the SME sector. The SME policy is an evolving area of socio-economic development that is presently not developed. Most nations across the globe are looking for ways to increase their entrepreneurial drive in respect of the fact that a significant level of small business and entrepreneurship activity contributes significantly to economic development. Broad-based research has been carried out and is still ongoing to ensure that governments and relevant stakeholders agree on what needs to be done to increase small business and entrepreneurial activity in particular countries (Organisation for Economic Co-operation and Development, 2010; European Commission, 2012).

The purpose of establishing institutional policy frameworks and regulations for SMEs is to ensure that the sector develops, flourishes, and is in good state of health. As previously discussed in chapter two of this research, SMEs have significantly contributed to employment opportunities and to nations' gross domestic product (GDP). SMEs have contributed in many areas vis-a-vis reducing poverty and inequalities, creating informal employments, mobilising domestic savings for investment purpose, enhancing the development of agricultural sector, and increasing youth and women empowerment through skills acquisition and development and connecting participants in supply chain (Small Enterprises Assistance Funds SEAF, 2004; Ojo, 2006:24; Ogujiuba, Ohunche and Adenuga, 2004:6).

The role of government in SMEs development and transformation is crucial in constructing a block for SMEs to stimulate their growth. According to the Organisation for Economic Co-operation and Development (OECD) report published in 2009, the purpose of having an appropriate set of indicators for institutional framework is to guarantee the trustworthiness, and effective and efficient implementation of the overall SME's development policy. Therefore, it is essential for

governments to collaborate with other relevant stakeholders to design an institutional, regulatory, and organisational framework that will include small business owners, entrepreneurs, and other stakeholders to actively engage in legitimate conducts. To pursue this cause, governments must create a friendly and favourable business environment; they should develop an “enterprise culture” with the sole aim to empower “bottom up” methods developed within the institutional and policy framework that will enhance the development of enterprise culture. The micro, small, and medium enterprises sector will function adequately and efficiently when the policy framework is characterised by the following:

- Socio-economic and political environments that support the growth of SMEs
- Compassionate and innovative stakeholder environments for SMEs
- Society that compensates individuals and people with collective innovations and ideas that support SMEs development

Stakeholders and other supporting establishments help facilitate and support entrepreneurship and small business development, as well as assist in creating level playing grounds for a strong and viable base for entrepreneurial societies. According to the Organisation for Economic Co-operation and Development (OECD) Report published in 2004 on *Effective Policies for Small Business*, institutional policy framework for SME development can be evaluated alongside the impact upon entrepreneurship culture. The policy framework for SME varies from one nation to another, varies across the business and cultural environments, as well as the stakeholder’s involvement and development.

3.2 Overview of Small Medium Enterprises Sector in selected countries

3.2.1 Australian SME Sector

The 2015 Organisation for Economic Co-operation and Development (OECD) Report Outlook estimated Australia’s population to be 23.13 million, with a GDP of 1455.68 billion US dollars, which represents 2.35 percent of the world’s economy. According to the same report, Australia has a growth rate of 1.6 percent, an unemployment rate of 5.8 percent, and a projected growth rate of 3 percent. The economic outlook of Australia signifies a momentous economic growth and a positive record of accomplishment. According to Ayyagari, Beck and Demirguc-Kunt, 2007, the World Bank defines SME by the following: small-sized businesses are those with up to 50

workers and total sales and resources valued at \$3 million; and medium-sized businesses are those with up to 300 employees and total assets and sales valued at \$15 million. In Australia, however, its definition and classification of SMEs differs from the World Bank’s definition. In an article published by the Australian Bureau of Statistics (2011), small businesses are firms with up to 19 workers, while medium-sized business are those with 20 to 199 employees.

Table 3.1: Definition of small and micro medium enterprises in Australia

Australian Firms employment sizes (ABS definition)	Australian firm employment sizes used by OECD comparisons
Micro (0 - 4 employees)	Micro (0 – 9 employees)
Small (5 -19 employees)	Small (10 – 49 employees)
Medium (20 -199 employees)	Medium (50 – 249 employees)
Large (200 employees above)	Large (250 employees above)

Source: Australia Bureau of Statistics, 2001

According to this same article by the Australian Bureau of Statistics, the 2002 Australian census showed that 1.2 million SMEs exist in Australia, which accounted for 15 percent of the nation’s GDP. SMEs in Australia have been in existence for a long period and contribute greatly to creating job opportunities and contributing to the GDP of the country’s economy. In fact, the SMEs sector is considered as the pillar of economic and industrial development in Australia. SMEs comprise around 95 percent of all businesses both in the industry and services subsectors in Australia, and generate employment opportunities to 3.3 million people in Australia, or approximately 47% of the labour force in the non- agricultural (Australian Bureau of Statistics, 2011). The micro, small and medium enterprises in Australia is very varied—comprising construction, business services and development, agriculture, property, and retail trade segments.

The SME sector in Australia represents 83 percent of the fishing, forestry, and agricultural industry, whereas the services sector accounts for 40 percent. On the lower end of the scale, the SME sector represents 9 percent of the mining industry, while it represents 19 percent of the manufacturing industry. This is an evidence of how diverse and vital the SME sector is in driving the Australian economy and its

significant impact to socio-economic transformation and job opportunities in many sectors of the economy.

Table 3.2 Selected industries by sector and business size in Australia

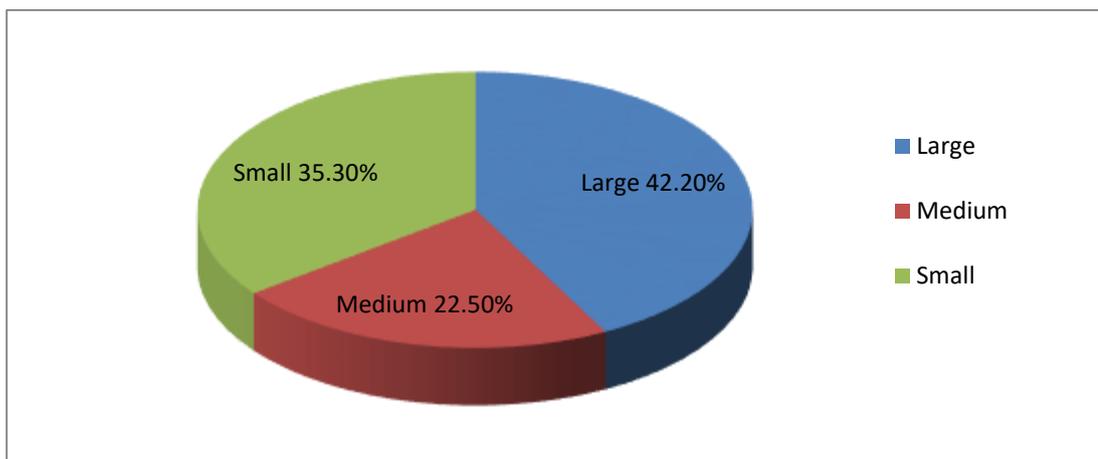
The industry sector (Selected industry only)	Small (Employees)	Medium (Employees)	Large (Employees)	Total	Small business value added in each sector
	(\$m)	(\$m)	(\$m)	(\$m)	(Percent)
Forestry, fishing & agriculture	16,919	2,986	506	20,411	82.9%
Mining	7,976	15,364	64,463	87,807	9.1%
Manufacturing	18,482	28,314	50,013	96,809	19.1%
Services	250,632	140,167	236,421	627,220	40.0%
Electricity, water, gas & waste services	2141	3590	26357	32088	6.7%
construction	46549	17908	19365	83822	55.5%
Wholesale trade	16941	17541	20763	55246	30.7%
Retail trade	23644	12278	27720	63641	37.2%
Accommodation & food services	13471	10617	6956	31044	43.4%
Transport, postal & warehousing	14801	9548	27911	52260	28.3%
Information media & telecommunications	3000	3246	28782	35029	8.6%
Rental, hiring & real estate services	36675	5424	7375	49475	74.1%
Professional, scientific and technical services	38728	21282	23886	83895	46.2%
Administrative and support services	13539	9954	15164	38656	35.0%

Public administration and safety (private)	1276	938	1461	3675	34.7%
Education and training (private)	2900	7813	5918	16631	17.4%
Health care and social assistance (private)	20339	10923	17380	48642	41.8%
Arts and recreational services	2626	2540	4850	10016	26.2%
Other services	14002	6565	2533	23100	60.6%
Total selected industries	294009	186836	351402	832247	35.3%

Source: Australian Bureau of Statistics, 2010

Figure 5 displays a comparison of how small, medium, and large businesses have contributed to the Australian economy. In particular, small businesses account for 35 percent, medium businesses account for 22 percent, and large businesses contribute about 42%. Thus, the small and medium sectors combined have a significant impact in the transformation of the economy, it accounts for almost 60 percent of the entire economy in Australia.

Figure 3.1: Contribution of small, medium, and large businesses to the Australian economy



Source: Australian Bureau for Statistics, 2010

The SME sector in Australia is export-oriented in nature; it exports over 41 percent of goods to other parts of the world (Australia Bureau of Statistics, 2011). The 2006 Sensis Business Index Report, an index which tracks SME confidence and behaviour in several industries in Australia, notes that SMEs have confidence and that Australia's economy and future economic outlook remain positive. Figure 3.1 revealed that the small and medium sector in 2010 contributed 35.30% and 22.50% respectively to Australian economy. In addition, the Australian government creates a conducive and well-regulated environment for the success of business operations. For example, the process of business registration in Australia is less than 48 hours, compared to other countries within the Organisation for Economic Co-operation and Development (OECD) region, which take several weeks or more (World Bank, 2006). According to Hindle and Rushworth (2000), in a comparison of SMEs in Australia with 30 other nations, Australia ranked eighth in terms of being entrepreneurial in nature, and in terms of newly established SMEs surviving 10 years of existence compared to SMEs in other nations.

Australian Small and Medium Enterprises Institutional Policy Framework

The Australian government acknowledges the significant impact and contribution made so far by the SME sector in the transformation of the economy. The decision of the Australian government (at the state and federal levels) to resuscitate the SME sector with transformational and emergent policy has been a longstanding agenda item, dating as far back as three decades ago. Prior to this, a decision by the Australian government to revive the SME sector was initiated by the former Australian Prime Minister, John Howard, in March 2006. The John Howard Administration's industrial policy initiative cut across the following:

- Business support, commercialization, and research and development (R&D)
- Investment attraction to Australia
- Increase trade facilitation
- Increase the desirability of Australia as a financial hub
- Maximization of opportunities and assistances of the global technology age

The Australian government pooled funds to transform the industrial sector by allocating a budget of \$1 billion Australian dollars over a four-year period for research and development in investment and innovation. The government also earmarked \$150 million Australian dollars for strategic investments and the

development of the Export Market Development Scheme from 2000-2002. The John Howard Administration also put in place sectoral support policies to transform certain industries, especially in the footwear, clothing, automotive, and textiles sectors. The Australian government's recent approach to fostering the development and growth of the SME sector encompasses the following:

- Provide sound economic basics with low inflation and interest rates, and sustainable economic growth.
- Implementation of extensive reforms in areas such as reasonable trading, red tape reduction, labour market, work relations and the financial sector.
- Proposition of measures aimed at supporting small and medium enterprises sector, which includes skills acquisition development and mentoring through the Australian Small Business Enterprises Culture Programme and the Australian Business Entry Point Initiative

According to the Commonwealth of Australia Report published in 2004, the Australian government is committed to developing and transforming the small business sector by bringing together initiatives that will promote and enhance an entrepreneurial spirit, which will lead to idea generation and employment growth in the nation's economy. Regular instability in the SME sector exists globally, with firms cutting costs, retrenchment of expenditures, and existence of new firms expanding. These were seen as dynamic entrepreneurship procedures and perceived as adverse impacts, but they are now seen as critical to invention, growth, and development (Stevenson and Lunstrom, 2001). The Australian government has taken new methods and put in place funds that will support and increase venture capital, start-up businesses, and small businesses seeking funding to pool into their businesses. According to Yencken (2011) and O'Connor and Hindle (2011), small firms play critical and significant roles by creating employment opportunities which contributes to economic development.

The Australian government's attention to SME development policy initiatives date back three decades ago. In fact, by the year 2000, the Australian federal and state governments had ministers in place who were responsible for small business development. Via the establishment of the National and Ministerial Forum, the Australian government established counselling and advice-giving mechanisms connected to small business development. Through the Ministry of Small Business, the Australian government put in place legislation responsible for tax-related issues,

start-up business advisory support services, training, development, capacity building, franchising, red-tape reduction, and reforms in the workplace.

(B) The small business policy development initiated by the Australian government includes the following:

- **National Small Business Bureau:** The Wiltshire Committee Report findings established this bureau in 1973 with the sole responsibility of providing small business grants arrangements, consultancy services, training and advice for small businesses
- **The National Enterprises Workshop:** This initiative was established 20 years ago with the sole mandate to inspire and support university students develop business plans. The National Enterprises Workshop spread across all the states in Australia
- **The Department of Trade and industry:** This department is responsible for day-to-day monitoring of activities of small business and SMEs data base in the country
- **Small Business Development Corporation Act:** The Western Australia and Queensland established the small business development corporation with a clear mandate and responsibilities to initiate and develop policy objectives for the Australian government to support SMEs. Also, to monitor and evaluate governments programmes in view of the objectives as well as making commendations for effective and efficient improvements of the programmes and to assist the government of Australia SMEs development related matters
- **The Small Enterprises Association of Australia and New Zealand:** This association was established in 1987 and it is an affiliate of the International Council for Small Business. It promotes a network of professionals, researchers, academics and entrepreneurs who have keen interest in the development, research and networking of small business

In addition to the variety of business development policies initiated by the Australian government, the rationalization of SME support programmes took place in the 1990s and through various programmes and policies, assessments were carried out with modifications in the provision of services and structures on ground. During this era, the majority of small business offices were merged with the Trade and Commerce Department in Australia. The majority of the states abolished the Small Business Development Corporation Act, new initiatives of networks responsible for business

development were established in all the states in Australia, and the Australian federal government reviewed and published an annual “Small Business Report.”

(C) This Small Business Report published by the Australian federal government has the following outcomes and commendations, which support SMEs in Australia.

- The establishment of the Australian Institute for Enterprises Facilitators (AIEF) to improve and provide opportunities that will enhance and develop professionally small business mentors and counsellors that will lead to the endorsement for advisers
- The re-evaluation of university business school and other higher institutions syllabus with the introduction of a global concentration
- The Australian Department of Education, Training and Youths Affairs established the National Education Programme in schools with the sum of Australian \$3.4 million fund for the project covering a period of 3 years to incorporate SME syllabi in the school curriculum
- The establishment of Small Business Research Programme through the Australian Bureau of Statistics to carry out a research study in the business sector in order to monitor and evaluate the performance as well as the growth of well over 5,000 small business enterprises
- The establishment of a 4-year Small Business Professional Development Programme in collaboration with the Vocational Education and Training Office with the mandate to develop a learning model suitable for SMEs training, development, and innovative ideas
- The launch of Australian \$38 million Business Network Project aimed to assess methods to the development and growth of business networks amongst small medium enterprises

The establishment of the Office of Small Business situated in the Department of Employment, Workplace Relations, and Small Business (DEWRSB) is solely responsible for the development of policy and other related issues concerning small business transformation at state and national level in Australia.

(D) **The objectives of the Office of Small Business include the following:**

- Acting as a channel for effective and efficient policy advice to the Australian government on issues related to SMEs
- Providing advisory and support service to Ministers and top government functionaries on small business related matters

- Acting as intermediary between small business and other organisations or representatives of small business
- Acting as check-and-balance and nurturing understanding of factors that influence or inspire the development and transformation of small business as well as the SME sector as a whole

To enhance and improve the support and policies for small business development in Australia, an alliance exists between the Office of Small Business situated in the Department of Employment, Workplace Relations, and Small Business (DEWRSB) the Department of Industry, Science, and Technology (DISR), and the Department of Education, Training, and Youth Affairs (DETYA). The purpose of the collaboration amongst these departments is to ensure that structures and programmes that will support the development and transformation of SME sector are put in place. These structures and programmes are as follows:

- SME tax reforms, reduction and regulatory burden
- Small and medium business management skills development
- Establishing incubators for small business purposes across the nation
- Reforms of legislation that will support and boost trade especially for small business development
- Establishment of one-stop information centre for small business opportunities and the promotion of local entrepreneurship
- Embarking on research related to small businesses development and evaluation of programmes on small business development
- Ensure that government speed up measures related to the implementation of SMEs policy

(E) **Australian government presents programmes and services in support of small business and entrepreneurship**

The Australian government has the mandate to ensure the transformation and development of the SME sector by initiating policies and programmes that have long been overdue. The Office of Small Business, in collaboration with the Department of Employment, Workplace Relations, and Small Business (DEWRSB) has the following programmes on ground:

1. **Favourable business environment and reduction of administrative bottlenecks**

The process flow of establishing or setting up a small business in Australia is very easy. However, entrepreneurs and small business owners are fearful of government

inconsistencies and many regulations. In 1996, the Australian government set up a task force on small business deregulation with the purpose of reducing 50 percent compliance and other related paperwork and bottlenecks that could arise during the process of business registration (Office of Small Business). In 1997, there was a restructuring agenda put in place by the Australian government to assess and streamline the delays in business registration and business approvals, tax compliance issues, monitor the capabilities of small businesses and their burdens, and reducing the effect of protocols and legislations on small business development. The Office of Small Business came up with a model and developed nine regulation performance indicators (RPIs) used for monitoring and evaluating performance of all the departments connected to SMEs development as well as reducing red tape that may arise in either the short term or long term.

2. Fair competition policy and employment legislation

The Australian Office of Small Businesses has assisted the small and micro businesses to be on a fair ground to compete effectively and efficiently with the larger businesses without any intimidations. There is a code of conduct set up specifically for small businesses within the trade sector, and modifications have been made to the Trade Practices Act. This will adequately enhance and empower small business operations. The Australian Workplace Relations Act, under the legislative framework clause, provides numerous opportunities for small businesses to improve relationships arrangement in place of work that is best suitable to their individual conditions.

3. The New Tax Reform System

In the quest for developing a favourable business environment for SME development in Australia, the Australian government set up and established a Small Business Consultative Committee tasked with advising the government on tax-related issues affecting small business development. Many tax reforms have taken place in Australia to assist the SME industry, and provisions have been made under the Australian Tax Office towards this development. The capital gains tax, which was about 75 percent, was exonerated and in turn increased accessibility to research and development tax reduction. Additionally, small businesses in Australia with a yearly turnover of \$5 million Australian dollars were entitled to research and development tax discounts provided they spend at least \$1 million Australian dollars annually on research and development.

4. **The promotion of entrepreneurship development**

The Australian government designed two programmes in particular in 2001—National Innovation Awareness Strategy, and Promoting Young Entrepreneurs Program Other promotional strategies put in place by the government included the sponsorship of SMEs-related programmes, seminars, retreats, summits, and conferences. Numerous SME awards funded by the government and other institutions in Australia were also created, such as:

- The Family Awards and the Australia Chamber of Commerce and Industry National Work
- The Business Development Award
- The Young Achievement Award
- The Export award and the TELSTRA Business Women Award of the year

5. **Entrepreneurship and small business educational policy**

The Entrepreneurship and Small Business Office Report published in 1999 revealed that both primary and secondary school educational systems in Australia must have SME curriculum and must be made mandatory for students to learn. The goal of the program is to equip students with the knowledge of how to develop businesses and gain management skills while at the school level. The programme is made up of two components:

- Vocational education training in schools over a period of four years totalling \$23.4 million Australian dollars
- Enterprises education in schools over a period of three years totalling \$3.4 million Australian dollars

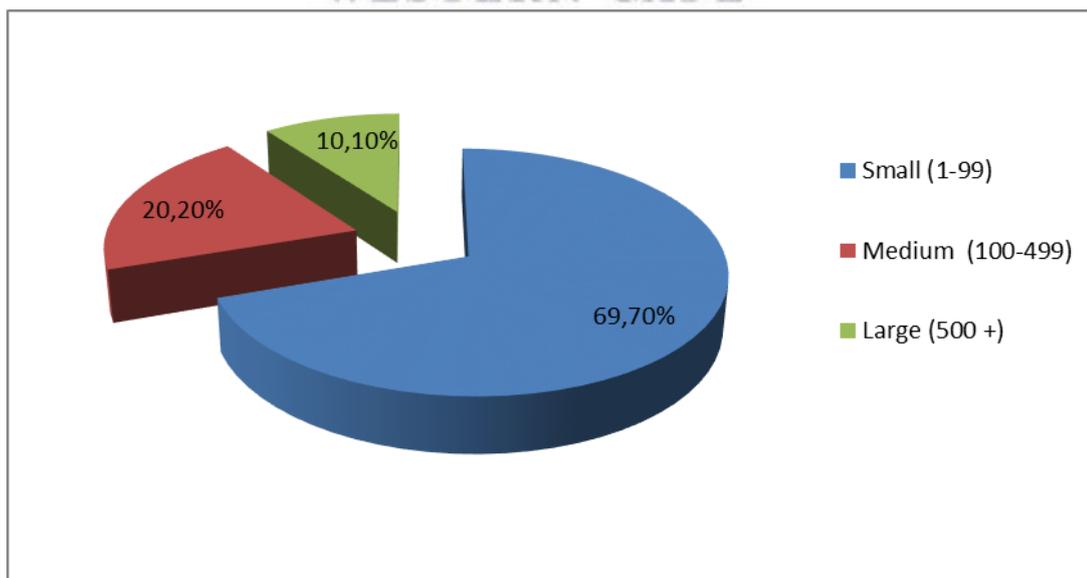
3.2.2 **Overview of Canadian Small Medium Enterprises Sector**

The Organisation for Economic Co-operation and Development (OECD) Report published in 2014 estimated the Canadian population to be 35.54 million, with a GDP of \$1.785 trillion Canadian dollars and a GDP per capital of \$38,293.28 Canadian dollars. This equates to 303 percent of the world's average. These figures are very significant to economic growth and development. Statistics Canada, an agency that compiles and reports statistical information and analysis about Canada's economic and social structure, published a report in 2012 in which it defined a small business as an entity with a total number of employees not less than 100; medium-sized firms were businesses with 100 to 499 employees; and large businesses are those with a 500

or more employees. However, numerous Canadian government agencies and institutions have different definitions and criteria for the definition of SMEs based on capital background, the size of the business, as well as the number of employees.

According to the World Bank Economic Index Report for Canada published in 2002, the GDP contribution of the private sector to the Canadian economy was significant, with a 2000 figure estimated to be 63 percent. For example, agricultural output was at 6 percent, service sector output was 66 percent, and manufacturing output was at 34 percent. These figures have increased since 2000, which indicate significant progress in the economy. The Canadian business environment offers a supportive culture for SME development and growth. A recent research conducted by the Global Entrepreneurship Monitor (GEM) published in 2014 placed Canada the sixth most entrepreneurial country amongst 21 countries sampled on the Entrepreneurial Activity Index (TEA). The Statistics Canada Business Register Report Published in June 2013, as displayed in Figure 6, affirms that well over 7.8 million employees representing 69.7 percent of the entire Canadian private workforce were classified under small businesses, and 2.3 million people representing 20.2 percent of the workforce were classified under the medium-sized businesses. In total, the SME sector absorbed about 10 million people, representing 89.9 percent of the Canadian workforce.

Figure 3.2: The size of private employment



Source: Statistics Canada Labour Force Survey, 2012

Employment distribution in Canada by the size of business show that the SME sector accounts for more than 80 percent of employment generation in four sectors of the economy in Canada. The industries affected are as follows: construction 81.8 percent, food and accommodation 89.8 percent agriculture 90.7 percent, and other services represent 90.6 percent. The outcomes indicate that half of the entire workforce in the private sector in Canada is engaged in the SME sector. The SME sector has a significant impact and contribution to the growth of the Canadian economy. The 2013 Canadian Key Small Business Statistics Report revealed that small businesses represent 98.2 percent, while medium-sized businesses account for 1.6 percent of the entire businesses in Canada. This indicates that the SME sector accounts for approximately 52 percent of Canada's private sector GDP.

Table 3.3: Employment Placement by Business Sector in Provinces, 2012

Province	Small (1-9)	Medium (100-499)	Large (500+)	Total Employment SMEs	Total Employment all firms	Employment Related to SMEs (%)
All Provinces	7,745,704	2,247,780	1,121,025	9,993,484	11,114,508	89.9%
Newfoundland and Labrador	102,982	24,535	9,921	127,518	137,439	92.8%
Prince Edward Island	33,079	5,534	2,353	38,613	40,966	94.3%
Nova Scotia	213,442	53,539	16,606	266,981	283,587	94.1%
New Brunswick	159,525	44,902	16,653	204,427	221,080	92.5%
Quebec	1,684,396	521,702	315,724	2,206,098	2,521,822	87.5%
Ontario	2,887,141	949,869	497,440	3,837,010	4,334,450	88.5%
Manitoba	275,847	73,749	31,316	349,596	380,913	91.8%
Saskatchewan	231,064	50,544	20,123	281,608	301,731	93.3%
Alberta	1,053,224	262,003	118,553	1,315,227	1,433,780	91.7%

British Columbia	1,105,002	261,403	92,334	1,366,406	1,458,740	93.7%
------------------	-----------	---------	--------	-----------	-----------	-------

Sources: Statistics Canada, Labour Force Survey, 2012

According to the Statistics Canada Report published in 2012, a small business is a firm with not more 100 employees; a medium-sized enterprise is a business entity with 100 to 499 employees; and a large firm is a firm with above 500 employees.

In terms of the number of businesses by size and number of share of the Canadian economy, the 2008 Statistics Canada report estimated that there were 2.36 million people who were self-employed in Canada, and a total of 1.83 million businesses were registered in the Canada Business Register. The report also notes that 44.6 percent of the self-employed businesses had no personnel, 77.6 percent had less than five employees, 87 percent had less than 10 employees, 99 percent had less than 100 employees, and about 99.9 percent had less than 500 employees. However, these figures have increased since this 2008 report.

Table 3.4: Number of Canadian businesses by size and number of share

Classification of firm size	Number of firms	Share of firms (%)	Share of employment (%)
0 employees	818,785	44.6%	10.7%
1- 4 employees	602,996	33.0%	
5 - 9 employees	170,353	9.3%	14.3%
10 - 19 employees	115,475	6.3%	
20 --49 employees	81,050	4.4%	10.9%
50 - 99 employees	25,456	1.4%	7.4%
Sub - total	1,814,115	99.0%	43.3%
100 - 499 employees	16,533	0.9%	14.2%
Sub- total		99.9%	57.5%

500+ employees	2,337	0.1%	42.0%
Total	1,833005	100.0	100%

Source: Statistics Canada, 2008

Evolution of small medium enterprises programmes and policies in Canada

One of the Canadian government's interest since the early 1960s has been industrial development and growth, especially in turning around large industries. In support of this cause, the Industrial Research Development Incentives Act was passed into law in 1960, and precedence was placed on large firms by the government to support large organisations to compete globally with solid financial back up from the government. Some of the industries that benefitted from the government initiatives in particular were the footwear, textiles, and mining industries. These large firms were supported and encouraged by the government to set up their business activities across the regions of Canada. The capacity of SMEs to boost socio-economic development and abolishment of poverty through the creation of job opportunities in the informal sector, self-sustainability, and the potentials to increased nations GDP propelled the Canadian government to map out supportive programmes and policies to develop the SME sector of the economy.

The Small Business and Entrepreneurship Office were established within the Department of Regional Industrial Expansion in 1982. The purpose of the department is to oversee issues related to small businesses and its prospect in Canada. Areas of focus include:

- Entrepreneurship and small business development
- Research and development (R&D)
- Innovation

As at today, the Canadian government's industrial policies for SME growth and development comprises 15 departments and parastatals with directives to increase small business output, build a knowledge base economy, and guarantee efficiency as well as ensure a competitive marketplace to strive. The focus areas to achieve the mandate include the following:

- Adequate support of scientific and technological inventions for all the regions in Canada

- The development and growth of the SME sector
- Increased support for trade and investment in the regions
- Increased community engagement and participation in economic developments, growths, and infrastructure
- Implementations of policies related to research and development, regional trade development and growth, and SMEs development

Small Medium Enterprises Policy Development in Canada

According to the Report of Small Business Policy Development Published by Entrepreneurship and Small Business Office in 1999, several reforms and restructuring of the SME sector have taken place and adequate supports have been a priority of the government within the Department of Industry in Canada. The focus on supporting SMEs in Canada began in the early 1960s with the passing of the Small Business Loan Act. The purpose of the act was to support and provide financial assistance to individuals who are fully engaged in small businesses and having difficulty accessing funds from financial institutions due to the inability to provide collateral security. It was difficult and challenging for small business owners to access funds in banks in Canada during this period, and most of these start-up entrepreneurs liquidated due to financial constraints in the first two years of their business existence. The Canadian government took a step to put an end to this in 1975 by setting up a government-owned SME bank called the Federal Business Development Bank. The Canadian government also increased its support for entrepreneurship and small business development in 1980 by elevating SMEs' skills within the established businesses and ensured that there was adequate provision of job opportunities and generation of innovations that would support the sector.

A task force on Entrepreneurship and Small Medium Enterprises was established by the then Minister of Small Business to advise government on effective plans to increase entrepreneurship and small business in the country. The outcome of the task force report led to the Canadian government setting up the first National Policy on Entrepreneurship and the establishment of the National Entrepreneurship Development Institute (NEDI) as well as the National Entrepreneurship Awareness Program (NEAP) with five years funding contract managed by the Department of Small Business Office and Entrepreneurship. The aim of the national policy was to boost small business and entrepreneurship spirit and culture amongst citizens in

Canada. The national policy prompts other government institutions in Canada to initiate numerous entrepreneurship and small business development programmes to help transform the SME sector. There were various advisory bodies and committees, and the country was divided into regions for effective and efficient implementation of the national policy. The policy helped many unemployed youths especially in rural communities to be self-reliant and independent through skills and training provided by the government. All these initiatives helped create tremendous development in the SME sector.

National Entrepreneurship Development Institute was abolished by the government in 1993 because of a new direction to focus mainly on accessibility to technology, export opportunities, and acquisition of managerial skills to drive the SME sector forward. The concept was known as the “single window service.” The concept was a cooperative idea bringing together all the federal parastatals and local and provincial government to streamline access on more than 700 programmes related to SMEs. It was an initiative to minimise costs incurred by the government by managing these programmes as well as reducing SME’s problems of accessibility. The Canadian House of Commons emphasised the urgent need to reform financing and taxation of the SME sector with a view to upgrade the necessary supports programmers required to transform the sector and to be growth-oriented. A new policy framework set out in “Growing Small Business” focused on tax issues, paper burden, financing and equity, service delivery programmes, and other related problems facing SMEs. The passing into law of the Regulatory Efficiency Act was to reduce red tape, ensure flexibility and compliance with SMEs, as well as ensuring collaboration between government departments and federal parastatals.

Recent Programmes in Canada for the Development of Small Medium Enterprises

1. The Small Business Policy Branch (SBPB)

Regional agencies, departments, states, and federal and local governments support the development of the SME sector in Canada. The Small Business Policy Branch (SBPB) in the Department of Industry, Science Policy Sector of Industry Canada was mandated to assist and develop a strategy that would support the development and growth of small businesses in Canada. The key areas required by the government from the SBPB were as follows: policy research, development, small business

financing policy, managing of information, international relations and liaison. Specifically, the SBPB would:

- Nurture the transformation and growth of efficient policies for SMEs programmes and information through working with government and other relevant stakeholders
- Advise governments and other key relevant stakeholders across various sectors of the economy about the gaps and weaknesses that exist in the market place and how to provide policies that will ameliorate those existing gaps

2. The Regulatory Environment for Start-Ups

The Canadian government provides a favourable business environment for small business to start-up in terms of the documentation and paperwork required to be registered by the law. Numerous government agencies and departments assist small business in registering their business and other issues related to administrative burden and taxation. The establishment of the Regulatory Efficiency Act has cut off red tape and bottlenecks and thus assisted many SMEs. The Canadian Government policies have assisted small firms in terms of taxation and exceptions are given to small businesses. Small businesses in Canada today whose turnover is less than \$200,000 Canadian dollars benefit from small business deduction. Other small business entities with a business turnover of less than \$30,000 Canadian dollars are exempt from paying tax. The Canadian Customs and Revenue Agency also looks for advice on taxation-related issues for SMEs from the Small Business Advisory Working Group so that tax holidays and exemptions met by small businesses are properly implemented.

3. Small Business and Entrepreneurship Promotion

The promotion of SMEs and entrepreneurship started several years ago with the launching of the National Entrepreneurship Awareness Programme by the Canadian Government in 1993. The objective of this initiative was to encourage entrepreneurship amongst young Canadians via seminars, conferences, symposiums, promotional campaigns, round table discussions, self-employment trainings, skills acquisition, and vocational training workshops organized by the federal government and other relevant stakeholders from the private sectors. The Canadian Chambers of Commerce and Industries sponsored entrepreneurship development programmes that cut across both the states and local municipalities in Canada. The Canadian

Communications Department in collaboration with the Department of Small Business launched weekly-televised SMEs development programmes, as well as programmes on the radio. These were planned programmes to raise awareness of entrepreneurship promotion in the nation. Other programmes aimed at promoting SMEs funded by the national government include the following:

- A television national programme tagged “The Leading Edge” and a translated French programme tagged “Temps d’affaires” which showcased and profiled small business proprietors
- Radio and newspaper programmes on SMEs and entrepreneurship development
- Entrepreneurship events

These awareness programmes on television and radio motivated and encouraged young people to start small businesses in Canada. Awards of excellence in small business were also initiated in different categories to motivate Canadians to venture into small business as well.

4. Small Business and Entrepreneurship Education

Canada’s Department of Education recognises the importance of the SME sector in the nation’s development, especially in the area of job creation. To support this cause, entrepreneurship and small business curriculums were introduced in school systems across the Canadian provinces. Entrepreneurship-oriented curriculums were introduced at all levels in schools across the nation, with training of teachers in SMEs and entrepreneurship modules to nurture a link between the students and the small business communities. The focus was to ensure a well-established entrepreneurship educational system from high school to university level with the development of innovative curriculum in universities, which led to the memorandum of understanding and signing of a 5-year partnership agreement by providing:

- Materials and other entrepreneurship teaching resources for teaching small business at introductory level across the educational system in Canada
- Entrepreneurship exchange programmes and network opportunities
- The training of teachers to be professional in entrepreneurship education

5. Small Business Support Services

There are several institutions and agencies in Canada that support the SME sector by providing advisory and consultancy services to entrepreneurs and small business

proprietors. The federal and provincial governments are fully involved through a network of rendering professional and business development services to the SME sector. The services provided for entrepreneurs and small businesses are so numerous that they have legal supports and back-ups. Some of these services include:

- Entrepreneurship and small business development information websites
- Business development services centres and one-stop window-shops
- Business advisory and counselling services
- Business mentoring
- Development of small business counsellors
- Small business and entrepreneurship networking

6. Access to SMEs Funding and Financing

The Canadian government has a series of programmes that provide financial support to small business development, especially young entrepreneurs who have ideas and innovations but lack the financial capability to accomplish their dreams. The establishment of the Canadian Small Business Financing (CSBF) Act in 1999 has offered financial support to the development and transformation of the SME sector. The CSBF Act offers a government-backed guarantee of 85 percent to small businesses owners a loan of up \$250,000 Canadian dollars. The purpose of the loan is to support start-up capital for entrepreneurs, aid with development and expansion of businesses, purchase of equipment has, fixed assets required in the development of the business, and so on. The interest rate under this facility is 3 percent prime bank lending rate and 2 percent of the registration fees. The 2011 Entrepreneurship Research Report in Canada recorded a total of \$1.351 billion Canadian dollars' worth of loans at an average size of \$76,493 Canadian dollars per person have been disbursed to more than 17,667 small businesses operators.

In 2000, the loan disbursed generated an additional 55,238 new jobs. This is very significant and meaningful to the development of SMEs in Canada. The loans disbursed under this scheme are properly managed and they are termed as performing loans because of the effective and efficient mechanism put in place to monitor the beneficiaries' performance. The establishment of the Business Development Bank of Canada (BDBC) was another initiative by the government to support the SME sector. The bank's mandate is to provide short- and long-term finance, such as venture capital, micro capital, and working capital to SME development in the nation. The

bank has a loan portfolio of about \$5.6 billion Canadian dollars and a new loan financing in 2013 of about \$1.4 billion Canadian dollars disbursed to date to small business operators and owners (Entrepreneurship Research Report, 2011). A variety of loans offered by BDBC include venture loans and capital, young entrepreneurs financing programme, micro and small business loans, innovation loans, and productivity loans.

3.2.3 Overview of the Malaysian Small Medium Enterprises Sector

A 2015 study published by the World Bank Report ranks Malaysia's economy as the 14th most viable amongst other global economies. The same report notes that Malaysia has a population of 31.0 million people and a GDP of \$375.633 billion US dollars and per capital of \$25,833 US dollars with a steady growth rate of 6 percent. The contribution of the SME sector in the Malaysian economy is very significant: 35.9 percent to GDP, 65 percent to employment generation, and 17.8 percent to exportation. The SME sector is seen as the backbone of the Malaysian economy (Radam, Abu, and Abdullah, 2008). SMEs in Malaysia have engaged 3.7 million of 7.0 million employees, which represents 53 percent of the overall employment figures in Malaysia. A 2013 report carried out by the Chief Executive Officer (CEO) of Malaysia Small Medium Enterprises, Wayne Lim, states that the aggregate number of SMEs in Malaysia grew to 1 million in 2012 and accounted for 99.2 percent of the entire business institutions. The total number of businesses registered and published by the Companies and Commission of Malaysia in 2012 showed that 5 million registered businesses fall under microenterprises, while 1 million falls under small-medium businesses. These figures signify a momentous economic growth and a positive record of accomplishment for Malaysia. It has attributed to the contribution of the SME sector, which contributed substantially to the socio-economic development of the Malaysian economy. SMEs dominate virtually all the service sectors in Malaysia; it accounts for 90.1 percent of the service sector. The 2011 Malaysian National Census Report on SMEs estimated that 645,136 small businesses operate in Malaysia, representing 97.3 percent of the entire businesses establishments. Out of these small businesses, 77 percent were micro businesses with less than five employees, and comprise 90 percent of the service sector.

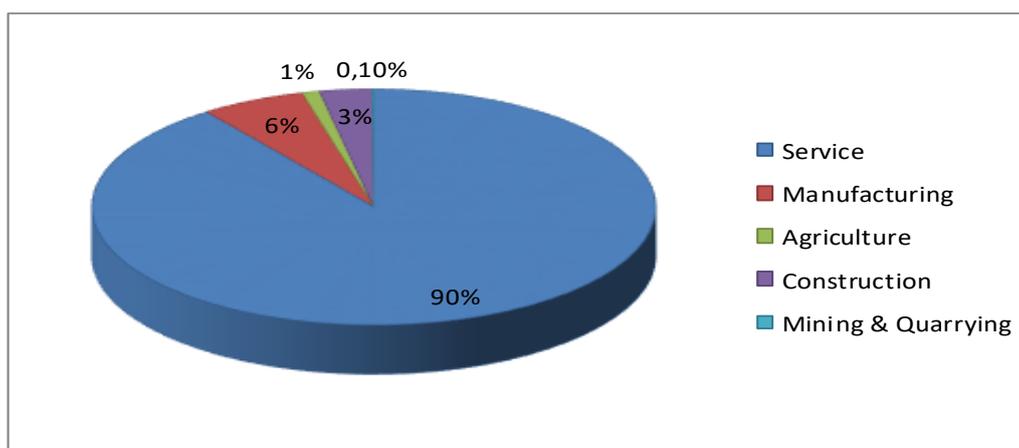
Table 3.5: Number of Establishments by SMEs sector in Malaysia

Sector	Micro	Small	Medium	Total SMEs	Total SMEs %	Large Firms	Total Establishments
Manufacturing	21,619	13,934	2,308	37,861	5.9	1,808	39,669
Services	462,420	106,061	12,504	580,985	90.1	10,898	591,883
Agriculture	3,775	1,941	992	6,708	1.0	2,121	8,829
Construction	8,587	6,725	3,971	19,283	3.0	2,857	22,140
Mining & Quarrying	57	126	116	299	0.05	119	418
Total SMEs	496,456	128,787	19891	645,136	100.0	17,803	662,939

Source: Economic/SMEs Census 2011 Department of Statistics, Malaysia

As seen in Figure 7, the SMEs segment of the Malaysian economy permeates through the service industry (580,985 businesses), the manufacturing or industrial industry (37,861 businesses), the construction industry (19,283 businesses), and the agricultural sector (6,708 businesses).

Figure 3.3: SMEs segment of Malaysian economic sector



Source: SMEs Corporation Statistics, Malaysia, 2016.

3.5.1 Classification of Small Medium Enterprises in Malaysia

The definition of small and medium enterprises in Malaysia depends on the number of the workforce, the business structure, the size, the location, the sales volume and turnover, the ownership structure of the business, and the technology and innovation put in place (Zeinalnezhad, Mukhtar, and Sahrm, 2011). Malaysia embraces the same definition of SMEs as used by Japan, Korea, United States, United Kingdom, and China. Prior to July 2013, the SMEs in Malaysia defined small businesses with turnover not surpassing RM25 million Malaysian ringgits and a total number of employees not surpassing 150 for industrial or manufacturing firms. For all other services and related sectors, small businesses are those with turnover not surpassing RM5 million Malaysian ringgits or a total number of employees not surpassing 50. Because of the global village trend coupled with the change in business operations and economic factors, the Malaysian Prime Minister, Datuk Razak, proclaimed on July 11, 2013, instituted a new benchmark of SMEs classification and category effective January 1, 2014.

Table 3.6: Classification of SMEs in Malaysia

SMEs Category	Micro Business	Small Business	Medium Business
Manufacturing	Sales turnover of RM 300,000 or less and employees of 5 or less	Sales turnover of RM300, 000 and not more than RM 15million with not less than 5 and not more than 75 employees.	Sales turnover of RM15million, not more than 50 million with minimum of 75 employees and not more than 200.
Services and other sectors	Sales turnover not more than RM 300,000 and less than 5 employees	Sales turnover of RM 300,000 and not above RM 3 million and the employees range from 5 to 30	Sales turnover of RM 3 million and not more than RM 20million and employees range from 5 and not surpassing 30.

Source: SMEs Corporation Statistics, Malaysia, 2016

The classification of SMEs definition in the above table is broader and encompasses all the sectors of Malaysian economy, which is expected to yield more results from the sector going forward with the classification. In addition to the above classifications, the following conditions must be fulfilled before a firm or business is classified under SMEs in Malaysia:

- Small medium enterprises in Malaysia must be registered under the Companies Commission of Malaysia (SSM), the Registration of Business Act (1956), Registration of Company Act (1965) or Limited Liability Partnerships (LLP) Acts 2012
- Districts offices or authorities designated by law in Malaysia

Programmes and Policies for Small Medium Development in Malaysia

The Malaysian government recognised the significance of SMEs to the Malaysian economy and nation building. Hence, attention was given to the SME sector, which prompted the establishment of a centralized coordinating agency under the Ministry of International Trade & Industry called SME Corporation Malaysia. The SME Corporation Malaysia is mandated to strategize, formulate, and implement the entire policies related to SME development across all government departments and ministries in Malaysia. SME Corporation Malaysia is also a reference point for the dissemination of information, conducting research and advisory services related to small and medium enterprises development. The Malaysian policy framework developed by the SME Corporation Malaysia identified a “Master Plan for 2012-2020” and have embarked on programmes and initiatives in various categories to transform the SME sector. The programmes embarked by SME Corporation Malaysia, which many SMEs have benefitted from, include:

- Problem-solving rating tools for SMEs effectiveness assessment and improvement
- Brand development to enhance
- Gateway financing: Access to funds, loans for SMEs, emergency fund for SME(SMEEF) and SME financing scheme for Shariah-compliant
- Outreaches: For talk show on SMEs, Resilient, Innovative, Successful Entrepreneurs (RISE)
- Enterprise 50 recognition and awards for excellent

- Innovation and technology: Enabling E-payment for SMEs and micro; enterprises as well as 1-innoCert programme
- Market accessibility: SMEs week, SMEs annual showcase and business; linkage programme
- Support for women entrepreneurs
- Human capacity development
- Infrastructures

With the mandate to enhance micro and small medium enterprises productivity, growth acceleration, capacity and capability for SMEs in Malaysia and to perform well locally and globally, the SME Corporation policy and programme development collaborates with other units and stakeholders responsible for the achievement of the set programmes and policies. They are as follows:

1. National Small Medium Enterprises Development Council (NSDC)

The National Small Medium Enterprises Development Council (NSDC) is Malaysia's highest policy-making agency responsible for SMEs development and is chaired by the Prime Minister, with the Chief Secretary to the Government of Malaysia, Bank Negara Malaysia Governor, and Cabinet Ministers as members. The mandate of NSDC is to ensure the transformation and development of the SME sector. The strategic function of the NSDC includes:

- The formulation of comprehensive policies and planned strategies needed to assist in the development of micro, small medium enterprise sector in Malaysia
- Assist in the cooperation and coordination of all SMEs related programmes;
- The implementation of actions plans that will assist policies related to SMEs development in Malaysia
- The assessment of roles and responsibilities of monitoring & evaluation (M&E) associated with the development of SMEs

The NSDC has successfully made impacts in the transformation of the SME sector in Malaysia based on the outcomes of the SME 2013/2014 Master plan report. The achievement recorded by NSDC so far includes:

- A common definition for SME in (2004) and re- definition of SME in 2014
- The setting up of a statistical update periodically for census purposes

- Designing of SMEs development policy framework as well as the SMEs Act and Master plan framework;
- The establishment of a Central Coordinating Agency (CCA) with the sole mandate to collate information and data relevant to SMEs development with adequate supervision and monitoring of the SMEs programmes
- Organising SMEs development training that is centrally coordinated in Malaysia
- Planning financial structure such as Small debt and SME Credit Bureau

2. Central Coordinating Agency (CCA)

The Central Coordinating Agency (CCA) under the SME Corporation Malaysia is responsible for M&E and the coordination of all the entire activities related to SMEs' growth and development in Malaysia. The CCA is a strategic unit accountable for facilitation of data and information required for collation for the development of SMEs programmes. SMEs' various activities in all the ministries and agencies in Malaysia are rationalised, scrutinised, and all the programmes are fully implemented and evaluated by CCA through the SME Integrated Plan of Action (SMEIPA). The SMEIPA is very fundamental and critical to the success of SMEs in Malaysia with the following task and responsibilities:

- SMEIPA accelerate efficiently and effectiveness of SMEs in Malaysia;
- Optimization of fund allotments;
- To reduce replication of resources and encourage partnership as well as team spirit;
- Effective implementation of SMEs policy planning
- Mapping out of innovative programmes for the development of SMEs sector

To achieve and accomplish the tasks listed above, strategic teams with applicable SME knowledge and talents were pooled together to pilot the growth and development of SMEs in Malaysia.

3. SME Integrated Plan of Action (SMEIPA)

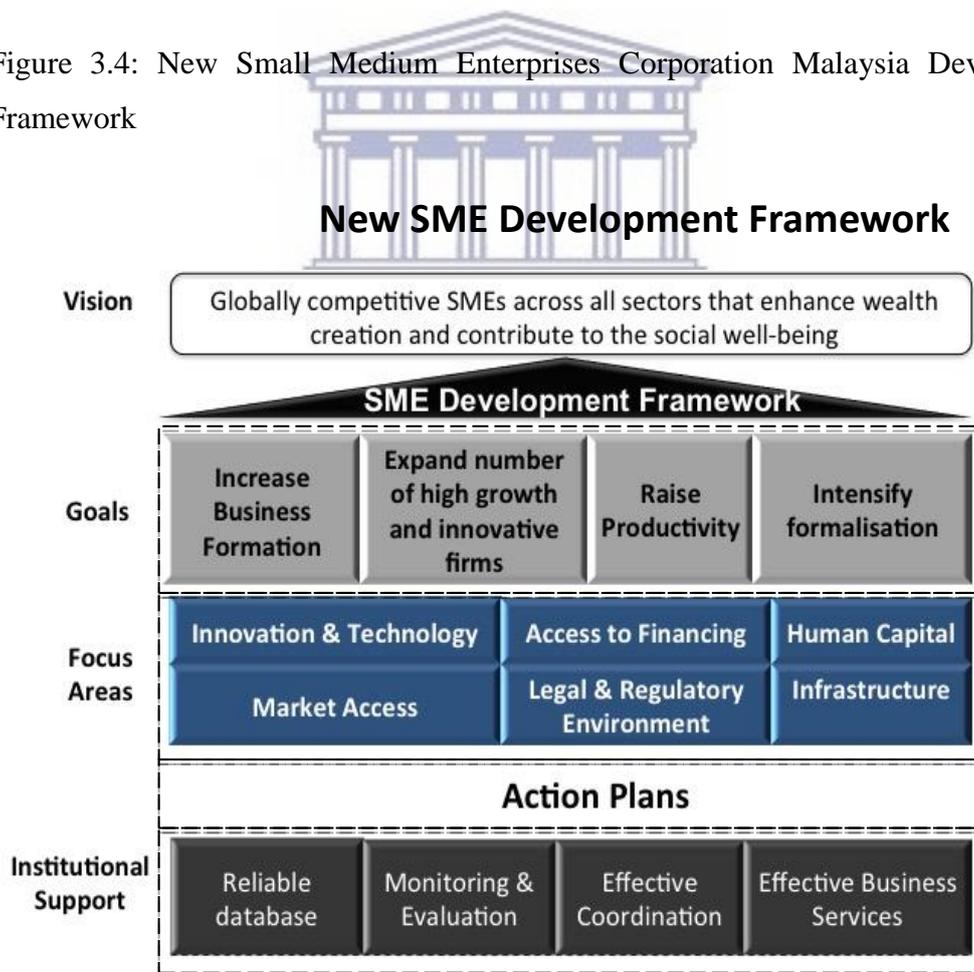
Given the need for monitoring, evaluating, and streamlining the effectiveness and development of programmes for the improvement of the SME sector by the CCA, the designing and facilitation of SMEs programmes are carried out by SMEIPA. The SMEIPA tasks focus on the following:

- Coordinating and directing policies related SMEs in Malaysia
- Implementing small medium enterprises development programme
- Result-based M&E of SMEs’ performance and accomplishments

The SME Corporation Malaysia “Master Plan for 2012- 2020” serves as a compacted base for SMEs’ development through a broad framework. The emphasised area in the Master plan that influences SME development includes:

- Access to funding
- Market accessibility
- Technology and innovations
- Infrastructure development
- Legal and regulatory legislation
- Human Capital Development

Figure 3.4: New Small Medium Enterprises Corporation Malaysia Development Framework



Source: SME Corporation Malaysia, 2012

4. SME One Referral Centre

The establishment of the SME One Referral Centre (ORC) by the SME Corporation Malaysia facilitates the acquisition of vital information useful for SME development. The ORC is a “one –stop centre” that publishes useful information as well as provides advisory and support services on issues related to SMEs development and growth. It is a place for SME owners and entrepreneurs to learn and acquire knowledge useful for business enterprises, start-up, access to funding, human capacity development, and market growth. According to a SME Corporation Malaysia 2012 report published on their website, thus far, the centre has successfully addressed more than 38,615 individuals during 280 different sessions on topics such as business techniques and ideas, and small business financing. The centre has accommodated almost 9542 visitors across its offices in Malaysia. The variety of services rendered at ORC includes the following:

- Professional and business advisory services;
- Information centre useful for small business development
- The resource centre
- ORC Virtual accessible from SME Corp Malaysia Website

3.2.3 Overview of South African Small Medium Enterprises Sector

The National Census conducted in 2011 and published by South Africa Statistics in 2012 stated that, a total of 52.98 million people lives in South Africa. The country’s Gross Domestic Products (GDP) is \$326.541 billion, and per capita income of \$5,859, with unemployment rate of 26% (World Bank Report, 2013). The Government of South Africa realised how micro, small medium enterprises fast-track economic growth, create new markets and enhance prosperity. The small medium enterprises sector in South Africa accounts for 91% of businesses and generate 61% to informal employment. The SME sector contributes 40% of South Africa GDP in the trade, construction, transport and agricultural sector of the economy (Department of Trade and Industry Report, 2005). Policymakers globally have shifted focus now to the small and medium enterprises sector to grow and develop their economy. Brink, Ligthelm and Cant (2003:1) explained the significant contribution that small medium enterprises make in terms of employment and income generation, which is recognised globally, and the Republic of South Africa in particular. According to the United Nation Development Programme (UNDP) Report on SMME Development Published

in 2014, South Africa's economy is the second largest in the African Region. The nation's economy is an emerging economy in the region based on a reliable, strong and specialised industrial market that cut across automobile manufacturing and exportation. Also, South Africa have a standardised mortgage and insurance institution, a solid financial base institution and the Johannesburg stock exchange market placed the nation 53rd in the Global Competitiveness Index for 2014 financial year.

The new democratic government launched in 1994 recognised and acknowledged the significant impact of the SME sector to nation building with a 20-year track record of policies and commitment that have transformed the informal sector of the economy. Amongst these policies were the White Paper National Strategy on the development and promotion of small business and entrepreneurship policy of 1995, the Growth Employment and Redistribution (GEAR) policy promulgated in 1996, the establishment of the new Growth Path in year 2010, the Accelerated and Shared Growth Initiative for South Africa (AsgiSA) policy, the National Development Plan launched in 2012, Small Business Development Institute (SBDI) and the Vision 2030 Agenda. These initiatives and policies were established to promote and develop the SME sector, create a progressive economy that will foster growth with fairness and equity amongst its citizens (Nieman, 2001:445). The South Africa national development initiative for the transformation and development of small business and entrepreneurship, which is referred to as the "White Paper", has the following mandate:

- ❖ Institutional strengthening and capacity building;
- ❖ Creating an enabling legislative framework for SMEs development;
- ❖ Enabling easy access to funding and joint venture initiatives;
- ❖ Enabling easy access to market, procurement and advisory services
- ❖ Accessibility to infrastructures
- ❖ Entrepreneurship skills acquisition and training
- ❖ Access to information technology
- ❖ Tax and financial related incentives

The supportive measures put in place in the "White Paper" mandate have immensely supported the SME sector in South Africa, however some challenges persist and having realized these challenges, the South African Government continues to design

and develop strategies that will support the development of small medium enterprises sector in South Africa. The White Paper policy has been reviewed and both past and present administrations have come up with institutional reforms and the establishment of the Small Enterprises Development Agency (SEDA). The Small Enterprises Development Agency collaborates and collaborates with other key stakeholder in the SME sector. Their activities include:

- ❖ National networking and accessibility centre on SMEs related issues;
- ❖ The creation of a micro finance institution named South African Micro – Finance Apex Fund (SAMAF) with the aim of assisting SME firms with micro funds;
- ❖ To restructure existing micro credit institution to be more dedicated to SMEs financing especially businesses owned by black South Africans who required start-up capital with no collateral security or guarantee.

3.8 Rationale for the Development of Small Business in South Africa

The global economic meltdown coupled with incessant strike action in various key sectors of the nation's economy devastates the South African economy leading to a loss of millions of jobs. The Government of South Africa has no alternative than to give full attention to resuscitate the micro, small medium enterprises, which is regarded as a panacea to address unemployment in the country. The creation of a friendly and enabling environment for SMEs to thrive will make a commendable impact and milestone in sustainable development and the growth of the nation's economy. The enhancement of SMEs industry is seen as assimilated strategy and framework to move SMEs to a higher level with a diversified, productive, stimulated and enhanced investment that will flourish entrepreneurship growth.

3.9 Programmes that Support SMEs Development in South Africa

The transition from apartheid rule to democratic elected government in 1994 saw various initiatives and programmes by government to develop the SME sector. The first national policy framework developed to promote small business and entrepreneurship in South Africa in 1995 was known as the “White Paper on National Strategy for the Development and Promotion of Small Business” acknowledged numerous constraints facing the sector such as unfriendly environment, financial

constraints, lack of entrepreneurial skills, lack of quality infrastructures and information technology, tax problem to mention a few. However, further steps have been taken by government to ameliorate and reduce the challenges. Stakeholders forum were established such as the public and private partnership initiatives, NGOs, multinational organisations partner with government and drive the SME sector forward and to tackle the challenges facing the sector. The programmes include the following:

- ❖ **Public Support Initiatives:** The public institutions have supported the small medium enterprises sector through the Department of Trade and Industry (DTI) under a small business supervisory and impact assessment of the Basic Conditions of Engagement Act. Amongst the support mechanism initiated, include the registration of small business, which has been improved and made easy for small firms to register their business name. The tax burden has been reduced through the South African Revenue Services (SARS). The South African Revenue Services has reduced the administrative cost and difficult documentation requirements for tax number processing. Accessibility to funds were made easy through DTI by providing enabling environment for financing Small business by the establishment of the following institutions:

South African Micro Finance Apex Fund: Provides soft loans to assist SMEs and mobilize funds on their behalf as well.

- ❖ **Khula Enterprises Finance Limited:** The mandate of this institution is to assist SMEs with credit guarantee and developing various credit products and service with commercial banks to support the SME sector. They also assist with business advisory services and business plans which support and develop small firms in the rural communities in the country.
- ❖ **National Empowerment Fund (NEF):** The NEF fund is specifically meant for start-up enterprises, small business development and growth especially in the rural communities across the country with specific emphasis on Broad Base Black Economic Empowerment (BBBEE) programmes.
- ❖ **Industrial Development Corporation:** This Corporation is mandated to assist SMEs with dedicated financial products that will develop small businesses especially the empowerment of black businesses and the value ranges from 1 million Rand.
- ❖ **Youth Enterprises Development (YED):** The focus of this programme is to empower and develop youth interest in small business in South Africa. There is a partnership

with multinational organisations with government department to pool funds together to support this cause. A substantial amount of funds has been set aside to develop youth's interest in small business and entrepreneurship. Micro loans and funds were disbursed to trained youth as take-off grants to commence small business. Substantial portions of these funds such as SME Funds, UYF Business Partners Franchise Fund and UYF-FNB Progress Fund under the YED offers small business and entrepreneurship trainings, capacity development, and entrepreneurship education to young school leavers and youths who dropped out of school.

- ❖ Women entrepreneurship programme: The Government in South Africa has embarked on programmes that support women empowerment schemes through women in business initiatives. The establishment of South African Women Entrepreneurship Network (SAWEN), a group and network of professionals dedicated to promote the cause of women advancement. They have numerous programmes and business linkages for women development in South Africa. Women are targeted and supported with credit facilities to start up business. They are equipped with the basic trainings required to float small business.
- I. Productivity development programmes: The Department of Labour partner with the National Productivity Institute (NPI) to assist and support small business productivity through enhanced capacity building and training programmes known as Productive Capacity Building Programme (PCBP). NPI are in partnership with SEDA and some provinces in South Africa. They organise trainings as well as seminars for small enterprises on productivity skills and concepts.
- ❖ **Tertiary and NGO programmes**: Numerous non-governmental organisations have embarked on programmes related to small business and entrepreneurship development and such programmes have been implemented into the curriculums in the educational sector in the country. Amongst these NGO were Junior Achievement Southern Africa, Entrepreneurs on the Move, South African Institute of Entrepreneurship and Education with Enterprises Trust. There are events and programmes on small business development organised with Multinational Corporation sponsoring the events. In addition to this, most universities and further education training (FET) have small business and entrepreneurship modules as compulsory in their curriculum. Small Business and Entrepreneurship Units/Centres were established in most universities in South Africa as a think tank and research centres to develop and provide solutions for SMEs growth and development. Amongst these centres are:

- I. Small Businesses and Entrepreneurship Research Centre: Small businesses and entrepreneurship research development have been regarded as key areas of focus to some institutions of higher learning. The University of Cape Town (UCT) host a centre named Innovation and Entrepreneurship Centre, a research institute that embarks on trainings, advisory services, capacity building and in-depth research on entrepreneurship development in South Africa and beyond. The centre also facilitates South African section of the Global Entrepreneurship Monitor (GEM) project as well as embarking on projects as well as research related to growing small firms in emerging markets that can be competed with in the global markets.
 - II. Entrepreneurship Empowerment Programme South Africa (ESSA): The University of the Western Cape (UWC) through the School of Business and Finance have a partnership and memorandum of understanding with Oklahoma State University (OSU), in the United States to train students in Cape town for 5 weeks as Entrepreneurship Consultants who then retrain youths and women in rural communities on entrepreneurship skills and business ideas. The programme has successfully trained youths in communities on small business ideas and entrepreneurship skills.
 - III. Small Business Start-up and support: Many universities in South Africa have entrepreneurship modules whereby students are taught on entrepreneurship skills, the modules are compulsory, and students embarked on life projects related to small business. Besides this, the entrepreneurship and innovation centres and institutes advises governments on SMEs development related issues.
- ❖ **Media:** The role of media in nation building is key and essential for economic transformation and growth. The Department of Trade and Industry and other entrepreneurship institutions in South Africa have partnership with the South African Broadcasting Corporation (SABC) to publicised programmes, initiatives on TV, the radio and other forms of media print which includes newspaper, magazines to mention a few. The SABC have entrepreneurship programmes that are fully sponsored on air to assist secondary school students, school dropouts and other people in the communities, engaged them in the spirit of entrepreneurship.

3.10 Government Intervention to Small Business Development

In the midst of the aforementioned policies promulgated by government within a time frame of 20 years to overhaul the SME sector, the President of South Africa, Jacob

Zuma announced, in his state of the nation address in February 2015, the Department of Small Business Development. The mandate of the newly established department, aimed to oversee the SME sector in order to develop the potentials in the SME sector of the economy by through transformational agenda that will boost livelihood sustainability, poverty reduction, creation of jobs opportunities and prosperity amongst South Africans and the nation in general.

3.10.1 Department of Small Business Development

The establishment of the Department of Small Business Development (DSBD) in 2014 by Mr President was just in time for the development of the SME sector. The mandate of the department is an accelerated and integrated methodology to promote and develop small businesses and cooperatives through a well-concentrated economic and legislative model that will stimulate entrepreneurship to contribute to the transformation of South African economy. The Department of Small Business Development has the autonomy by law and responsible for all issues related to micro and small business development in South Africa and DSBD mission is to create an enabling and favourable operating environment that will enhance the growth and development of small businesses and cooperatives with a robust financial and non-financial initiative, market accessibility, and entrepreneurship development that will be leverage on public private procurement initiatives. The vision of the department is to transform speedily an enhanced economy through the participation of the small micro medium enterprises and cooperatives. The Department of Small Business Development has five strategic intervention pillars for effective and efficient supervision of all their activities, which include the following:

- Strategic Pillar 1: Creating a Conducive Regulatory Business Environment
- Strategic Pillar 2: Enterprises Development Upliftment
- Strategic Pillar 3: Facilitation of Intergovernmental Relations
- Strategic Pillar 4: Stakeholders and Management Partnership
- Strategic Pillar 5: Empowerment through Knowledge Management Information

The focus of DSBD centres on the following:

- ❖ Radical Transformation: The facilitation of radical economic revolution and transformation through improved stakeholder participations in SME sector of the economy;

- ❖ Socio Economic growth: To encourage economic growth through increased SMEs contribution to include job opportunities from the public private partnership drive;
- ❖ Partnership: To ensure that there is cooperation amongst three organs of government (National, Provincial and Local Government) and private institutions to drive facilitate the transformation of small business development in South Africa;
- ❖ Regulations: Facilitation and advocacy of enabling environment and promulgation of legislations that supports SMEs development;

The programmes of the Department of Small Business Development to boost small business development include the followings:

- ❖ Informal and Micro Enterprises Support Programme (IMESP): This programme is specifically designed for youth and women in the townships and rural communities. The DSBD support the initiatives through skills development, capacity building, infrastructures, information as well as other suppliers that will boost small business development. Other services offered by DSBD include developing capability of informal traders through provision of adequate financial supports, assigning business mentors and coaches to follow up with the informal traders, developing strong partnerships and cooperatives amongst the informal business men and women as well as business development support that relates to business registration and tax related issues.
- ❖ Informal Traders Upliftment Project (ITUP): This programme is a pilot project from IMESP programme. The Department of Small Business Development are in partnership with other institution to facilitate funds that will boost the micro and small medium businesses in South Africa through entrepreneurship skills acquisition, promotion and the development of SMME. They target small businesses from poor and dejected communities. The targeted groups include spaza shops owners, tuck shops owners, street traders and other informal traders.
- ❖ The Black Business Supplier Development Programme (BBSDP) initiatives: The BBSDP supports existing small medium business especially black small business owners in developing their business. The key focus areas cut across; capacity development and provision of capital to facilitate the development of black business with the potentials for growth and development. The scheme provides the sum of R1 million to beneficiaries out of 80% of the funds is meant for assets that will transform the business while 20% of the fund is injected as cash flow to support the business;

- ❖ Cooperative Incentive Scheme (CIS): The programme is specifically meant for cooperatives societies with the goal of facilitating sustainability and effectiveness of cooperative societies by assisting them in managing cost related issues and supports for black economic empowerment. The objectives of the scheme include provision of financial grant, business development and advisory services, provision of infrastructures such as equipment, machinery and technology;
- ❖ Shared Economic Infrastructure Facility (SEIF): The SEIF initiatives assist small businesses in township and rural communities to access funds and create opportunities locally that tend to improve the performance of their businesses. The SEIF initiatives leverages on the Department of Trade and Industry and the provincial government for technical support.

3.11 Insights from Cross- Country Comparison

The Canadian Small Medium Enterprises Sector have experienced significant growth within a decade based on the measures put in place by government to enhance the capability and competitiveness of the sector. The SME sector has generated 85% job opportunities and the numbers of new start-up entrepreneurs have significantly grown from 19% to 45%. The small medium enterprises sector dominates virtually all the sector of the Canadian economy at a growth rate of 4.6% per year in a period of 10 years and 25 % of Canadian small entrepreneurs have their business exported to other nations. The significant progress made in the Canadian SME sector was because of accelerated development of indigenous SMEs with a favourable business environment. In addition, the promulgation of favourable policies by the Government of Canada boosts the significant growth of the sector. The existence of research and development, basic infrastructures, strong entrepreneurship education at all levels in public schools and solid financial base improves the SMEs transformation in Canada.

In Australia, the small medium sector has made successful impact in the socio-economic transformation of Australia Economy. The Global Entrepreneurship Monitor (GEM) 2014 Report showed strong and health entrepreneurship activities in Australia. Small business and entrepreneurship activities are very robust in Australia, which has led to increased job creation. The impact is very significant compared to other industrialised nations across the globe. The suitable macro-economic policy coupled with friendly and enabling framework enhances the transformation of Australian SME sector. Small business start-up amongst females in Australia grew

from 8.7% to 10.3 % while male's participation stood at 16% according to GEM 2015 report. Though more need to be done in, the area of gender equality as far as Australia is concerned. The development of the small business and entrepreneurship is also attributed to a strong public private partnership initiative in the country. The private sector has a series of entrepreneurship development programmes embarked upon to assist the government in the transformational process of the informal sector of the economy. The small business and enterprises sector in Australia are efficiently monitored and evaluated. The government through its institutions monitors and evaluates the impacts of the programmes through performance indicator measures to determine the evaluation outcomes.

Malaysia formerly regarded as a developing nation alongside with nations from Africa was named amongst nations of the world as Newly Industrialised Country (NIC) based on the socio economic growth recorded in a period of 10 years, which have significant impact in the development of the country SME sector. The small medium enterprises sector remains progressive with a good outlook ahead. This is a testimony of the government steadfast approach in transforming the informal sector of the economy. The Department of Statistic Malaysia Report 2015 disclosed that SMEs cut across the entire sector of Malaysian economy and the entire business establishment represents 97.3% comprising (77% for micro business, 20% small business and 3% represent medium business). In addition, the sector contributes 33.1% to Gross Domestic Products, 57.5% employment and 19% of goods and services exports falls under the SME sector. The sector is fully supported by the government with implementation of policies that support the informal sector. There exists public private initiative partnership (PPP) that provides technical support to the SME sector in Malaysia and the Malaysian Credit Guarantee Corporation (CGC) is a government institution with full autonomy specifically mandated to bridge gap between SMEs and creditors by assisting in the provision of cash back guarantee for SMEs to source for loans in commercial banks. The Malaysian Credit Bureau is an institution wholly operated and managed by the private sector, the bureau is a leading financial and credit rating agency with the provision of comprehensive information about credit related issues and rating and they serve as a platform to develop the SME sector of the economy. The Malaysian National President, Teh Kee Sin announced in the 2015 Budget by apportioning RM14.3 billion for new programmes for the development of

the small medium enterprises sector. This is significant milestone for the SME sector in Malaysia.

The Republic of South Africa macro – economic environment has tremendously supported the development of small business through various policies and programmes. The apartheid era had negative impacts on the development of the small medium sector. The post-apartheid era saw a new South Africa that ushered in democratically elected President in 1994. Numerous policies and programmes were promulgated and the national policy on SMEs development and growth strategy named the “White Paper” was the first national policy in the country. Subsequent years, the policy was amended and other policies and programme were launched. The micro and small medium enterprises account for 91% of businesses in South Africa and the SME sector accounts for 61% employment opportunities. With the presence of infrastructures and strong banking institutions, South Africa has successfully built an economy driven by the small business operators. Having realized these facts, the Government of South Africa established a department in 2014 named as Department of Small Business Development to oversee the affairs of small business in the country. With the inception of this new institution, several programmes to support the development of small business have been rolled out. Majority of small business operators in the rural communities especially blacks have been empowered and youths who are school dropouts were trained and mentored on small business and entrepreneurship skills development. The Broad Base Black Economic Empowerment (BBBEE) is one of the programmes to transform the SME sector in the country. The implementation of this programme that will enhance efficiency and productivity is being supervised and monitored by the Monitoring and Evaluation Department in the Presidency. They are mandated to critically monitor and evaluate programmes initiated by government departments in South Africa. Money spent on programmes and projects related to SMEs are accounted for prudently.

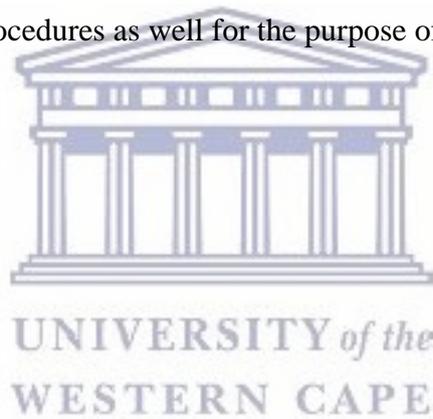
3.12 Chapter summary

This chapter explored the institutional policy and legislative framework put in place by policymakers and Governments of the Republic of South Africa, Canada, Malaysia and Australia SMEs. The SME sector of the aforementioned nations have witnessed and achieved a significant growth in the transformation of nations’ economies. As

highlighted by the Organisation for Economic Co-operation and Development (OECD), the Australian economic outlook has a steady economic growth based on the contribution of a vibrant and friendly environment that supported small business development. The attributed factors to the success story of Australia SME sector can be linked to the policy framework developed to enhance the development of SME sector. So far, it is obviously clear that stakeholder's participation and implementation of policies in Australia drive SMEs forward. Similarly, the researcher reviews the Republic of South Africa SME sector and framework that facilitate the growth and transformation of the small business sector. The apartheid system of government in South Africa has negative impact on the development of the small medium enterprises sector because of racial discrimination. The democratically elected government in 1994 paved way for systemic transformation of the economy with the formulation of policies effectively made to development in the informal sector of the South African economy. There were various policies promulgated to develop the sector especially the mostly affected people classified as blacks. The new South African Government initiatives to develop the informal sector led to the amendment of policies that will enhance innovations, self-reliant, sustainability, entrepreneurship development culture amongst black citizens and the nation as a whole.

In addition, the institutional and legislative frameworks of small business development in Malaysia strengthen and develop the SMEs. The country is now classified amongst other nations as Newly Industrialised Country (NIC) because of the effort of government in conjunction with the private sector to move the informal sector of the economy forward. The small medium enterprises sectors in Malaysia cut across all sectors of the economy and have so far created employment and business opportunities to numerous people in the country. The policy, which was derived from the Organisation for Economic Co-operation Development (OECD), focuses on competitive, dynamic and innovative SMEs. Basically, government initiatives to transform the informal sector through the creation of an enabling environment and provision of infrastructures boosts the transformation of the economy and thus its current status of being industrialised country. Malaysia monitoring and evaluation system is enormously effective and efficient and it has vastly supported SMEs programmes and made significant progress thus far.

Lastly, the chapter critically examined the Canadian SME sector alongside the contribution of the government and other private partnership initiatives. The small medium enterprises sector in Canada has successfully created informal employment to its citizens, which has helped in generating job opportunities and self-reliance and self-independence. The policy framework promotes, facilitates and institutionalises SMEs in Canada. Since this research centres on analysis of monitoring and evaluation framework systems for SMEs development, the study examined and intensified more on the institutional policy framework of Australia, Canada, South Africa and Malaysia towards the development of the SME sector and justifications of each of the policy. The researcher critically appraised each country's SME sector because of its significance to nation building thus far so that Nigeria will be able to learn from their success story especially Malaysia that was in the same category with Nigeria a few years ago in terms of socio- economic background, but today the country has made significant progress. The subsequent chapter clarifies the road-map for collecting information and the procedures as well for the purpose of this research study.



CHAPTER FOUR: RESEARCH DESIGN AND METHODOLOGY

4.1 Introduction

This chapter discusses the data collection process and methodological framework used for this study. Methodology forms the pillar and guides the process of planning, organising, analysing and interpreting data. According to Sarandakos (2005:24), the word “methodology” refers to a research carried out by a researcher in a specific task, which includes the elementary knowledge associated with the subject and research procedures in question and the framework adopted in a specific context. The methodological framework prescribes the data collected; the method adopted, and draws out the deductions that lead to the development of a knowledge base (Leedy, Newby, & Ertmer, 1997:09).

Having first conducted a literature review, and then developed a theoretical framework, the next step is to provide a detailed description of how this research study would be conducted and administered. The components of a research methodology include the research design, sources and type of data, sample size, sampling frame, sample techniques, population size and explanation of the instruments used, questionnaire design, and data measurement methods adopted. Therefore, it is important to understand the process of gathering data in order to evaluate the research findings, interpretations, commendations, conclusions, and critique the reliability and validity of the data.

4.2 Research Philosophy

Prior to embarking on a research project, a researcher must first ask oneself, “what research philosophy will be adopted?” According to Collis and Hussey (2003), research philosophy is the scientific practice centred on assumptions and theory about the nature of knowledge and the world. Every research philosophy is grounded in a detailed paradigm. Denzin (2000:922) notes that paradigms are theories related to how the world works and the character of humanity; what is feasible to know and not to know. Guba and Lincoln (1994:117) emphasised that a paradigm involves classifying a body of multifaceted views that guide actions. The authors further explain that each paradigm encompasses three sets of beliefs: epistemology, ontology, and methodology. Epistemology is derived from a Greek word “episteme”, meaning knowledge. It is all about how we know the world and the connection between the

inquirer and the known; It represents the expectations about the nature of the relationship between “the would-be” or knower, and “what can be known.” Ontology raises questions about reality and the nature of what can be known, while methodology is focused on obtaining knowledge about the real world and defines the appropriate research approach for collating valid empirical evidence.

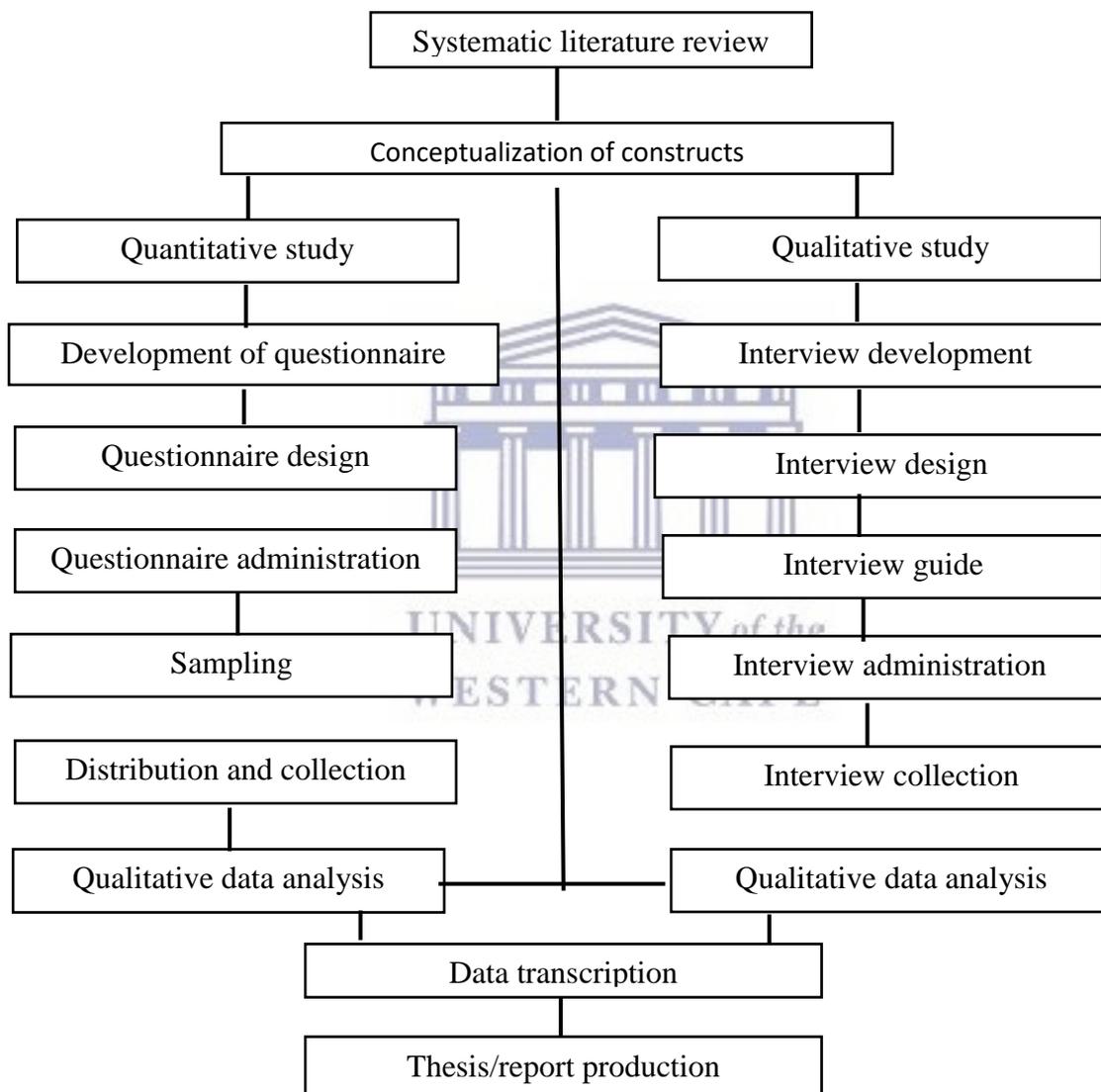
4.3 Research Design

Research design is the master plan or logic behind, of how a research study is to be conducted. There are numerous definitions for “research,” but what all the definitions have in common is the indication of how the body or parts of the research study (i.e., the groups, samples, measures, and programs) work together in order to resolve the research question(s). According to Mouton (1990:15), research design helps to “plan, structure and then accomplish the research to maximise the validity of the findings”. It differs from the basic scientific expectations of research design and data collection. Yin (2003:19) describes research design as “a plan of action in order to get from *here* to *there*, whereby “here” is regarded as the preliminary set of questions that need to be answered while “there” refers to the conclusion or answers.” Meanwhile, Polit and Hungler (1999:155) assert that research design is a “blueprint or an outline for conducting a study in such a way that maximum control is exercised over factors that could interfere with the validity of the study results.” Research design is comparable to an architectural outline of a structure or project; it actualises the logic in a set of procedures that improves the strength of data for a given research problem.

In essence, research design is a framework that guides the researcher in the process of collecting, analysing, and interpreting data. Research first originates with the identification and clear formulation of a research problem and an outline of the systematic enquiry and plan (Babbie & Mouton, 2001:73). In other words, a problem must first be identified, and then a systematic enquiry and approach to provide a clear solution to the identified problem can be followed. This is done through research questions and formulation of hypothesis. Research design shows interferences regarding fundamental vocations and defines the domain of generalisation. Research design involves attaining scientific knowledge by means of various objectives, procedures and methods. According to Leedy (1997:05), research design is a process whereby a researcher tends to methodically discover (with the support of data) the answer to a question or solution to a problem or to achieve greater understanding of a

phenomenon. The first step is to plainly stipulate what you propose to find out and then decide the best way to do it. Essentially, research design is all about scientific investigation, which involves the process of making observations and then clarifications of what was observed, followed by proper planning to answer the “how” and “why” questions. For the purposes of this study, Babbie and Mouton’s (2001) definition of research methodology is adopted. Therefore, the diagram in Figure 4.1 explains the process and procedures embed in this research study.

Figure 4.1: Research Process and Procedures

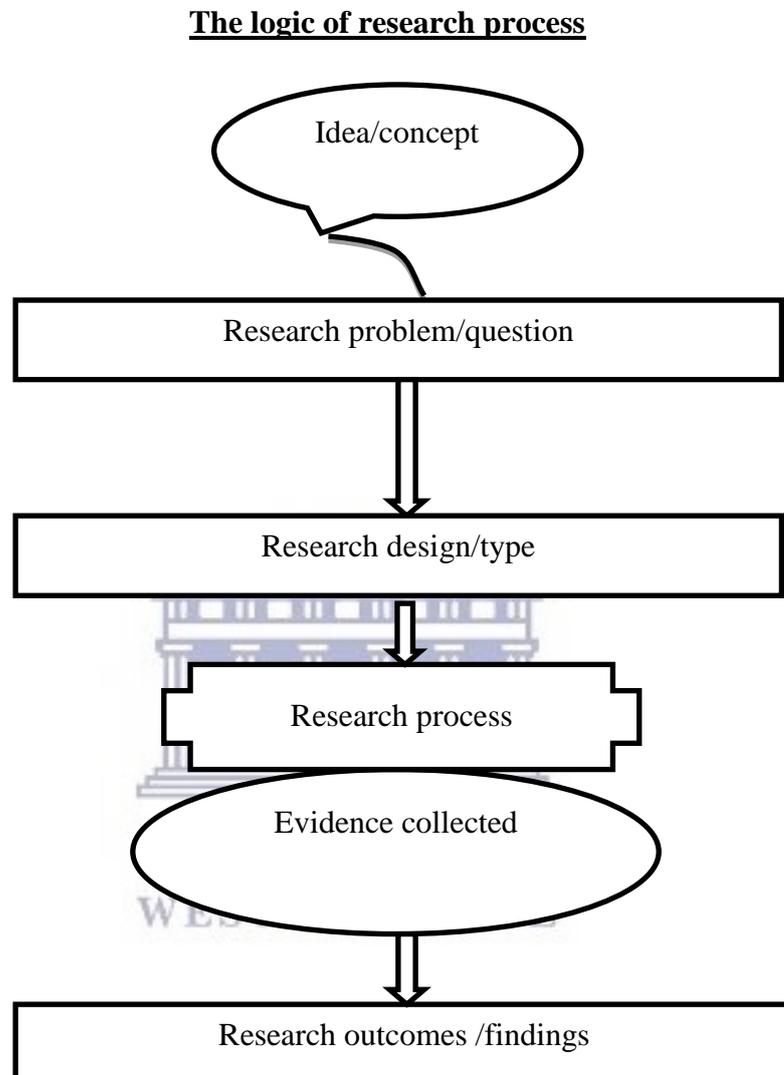


Source: Author’s configuration, 2017.

Burn and Grove (2001:223) state that during the process of designing a study, a researcher will need to design his or her plan in a way that will inspire effective and efficient implementation in order to achieve the research output. Research design can be qualitative or quantitative in approach. This research study uses a triangulation

approach by mixing qualitative and quantitative methods to critically analyse the monitoring and evaluation systems for SMEs with specific reference to the Small Medium Enterprises Development Agency of Nigeria (SMEDAN).

Figure 4.2: Logic of research



Source: Mouton and Babbie (2001).

The researcher's view, according to Figure 4.1, indicates the stated logic of research prior to embarking on it. Specifically, what comes first is the conception of an idea, followed by the identification of the problem that needs urgent solutions, and then the raising of a fundamental question. The next phase is the establishment of the type of methodology required to carry out the research with appropriate evidence, followed by the outcomes or findings.

4.4 Purpose of Research

Research generally serves many purposes, which include explanation, exploration, and description.

Exploration approach: This approach is suitable in social research because it helps researchers break new grounds with novel insights into and perspectives on the subject of research, and provides answers to research questions. The exploration approach has the following objectives:

1. Satisfy the researcher's interest and thirst for better understanding.
2. Tests the possibility of undertaking a broad research study.
3. Improves on the approaches engaged with a subsequent research study.
4. Explains the concept and the theory of a research study.
5. Develops new hypotheses about current phenomena as well as determine the focus of upcoming research.

According to Selltitz, Jahoda, M. Deutsch, and M-Cook, (1965), exploratory studies often lead to an understanding (rather than the collation) of complete, exact, and replicable data, and this method regularly involves the use of informants, the analysis of case studies, and in-depth interviews.

Description approach: This method describes events and situations of phenomena. In social research, the researcher observes and describes what was observed. This approach oftentimes adopts a qualitative approach because all qualitative methodologies in social research are descriptive in nature. According to Babbie and Mouton (2001:80), descriptive studies involve a variety of research which emphasis in-depth descriptions of a social event or occurrence. This approach describes phenomena which can range from a narrative- descriptive approach, such as discourse and historical analysis, to a highly- structured statistical analysis.

Explanation approach: This approach explains things and events. The primary purpose of the explanation approach is to clearly identify connections between events and variables. The researcher's critical analysis of monitoring and evaluation systems for SMEs, with specific reference to SMEDAN, embraces exploration, description and explanation methodologies using the triangulation approach. This is because the purpose of the research is to explore the mechanisms put in place and used by SMEDAN in dealing with the monitoring and evaluation of SMEs' activities and their progress. The process involves the detailed gathering of information on events and

activities that previously occurred within the SMEDAN as well as on the entrepreneurs reviewed in the research. This will be carried out via the dispensation of research tools (i.e., interview schedules and questionnaires) and using description, explanation, and exploration techniques to unveil the monitoring and evaluation systems put in place by SMEDAN for the development of the SME sector of the Nigerian economy.

4.5 Research Methodology

This section concentrates on the tools required to carry out the research procedures and processes. According to Myers (2009:649), “research methodology is an idea of inquiry, which moves from the underlying assumptions to research design and data collection.” Leedy and Ormrod (2001:14) maintain that research methodology refers to the techniques agreed to by a researcher when carrying out the research project. Mouton (1983:124) asserts that research methodology is the process by which the proposed research is planned and can be executed. Leedy (1997:9) states that, “research methodology consolidates the research study which determines the procurement of data, their assembly in logical relationships by setting up a method of improving new data, formulating an approach so that meanings that lie below the surface of collected data become apparent and, lastly, issuing an assumption that will improve the development of knowledge.” In this research study, the approach will extensively investigate by clarifying the research methodology embraced.

The researcher adopts the triangulation approach through mixing qualitative and quantitative methods for this study, which is explorative, descriptive, evaluative and analytical in nature. The reasoning behind selecting the triangulation approach for data collection is that it is seen as the best technique for obtaining numerous forms of data and enhances credibility, reliability, and validity of the research study. The tools and the research process used in aggregating data and information are well explained and the research study demonstrates the road map that guarantees the reliability, credibility, and validity of this study.

Triangulation, in social research (Blaikie, 2000; Scandura & Williams, 2000), encompasses the use of numerous methodologies and measures of experimental phenomena in order to overcome problems of prejudice and lack of validity. Yin (2003:28) notes that the triangulation approach uses multiple sources of data and

methodology as well as informants (such as focus groups and participant observations) to gather various views on the same matter. This is done in order to gain additional and comprehensive knowledge of the phenomena. According to Ile (2007:38), “the benefit of triangulation is that it takes advantage of the different methodological viewpoints and arrives at a more accurate discussion.” Essentially, triangulation is the use of multiple approaches— mainly qualitative and quantitative methods—in studying the same phenomenon for increasing credibility. This suggests that triangulation is the combination of two or more methodological approaches, theoretical perspectives, data sources or investigator analysis approaches to study the same occurrence (Denzin, 1970:156).

Creswell (2003) and Patton (2002) observe that a triangulation approach is used when comparing data to decide if it substantiates, and thus validates findings in research. The triangulation approach is regarded as one of the most significant methods used to improve the credibility of qualitative findings in research. The triangulation approach validates shared results, which can display biases when there is only one researcher examining a phenomenon. They explain that the triangulation technique may assimilate numerous data sources, investigators, and theoretic perceptions in order to increase assurance in research outcomes. The use of results from one set of data to substantiate those from alternative data sets is also known as triangulation (Brannen, 2014: 314). When embarking on a research project, the methodology adopted will always have strengths and weaknesses, but using a triangulation approach will help to increase the reliability of the findings. This in turn helps to reduce systematic inaccuracies due to the researcher utilizing several methods and sources.

There are four types of triangulations: data triangulation, investigator triangulation, theoretical triangulation, and methodological triangulation (Denzin 1970:158). Data triangulation is the retrieval of data from a number of different sources to form one body of data. Investigator triangulation is the use of multiple observers instead of a single observer in the form of gathering and interpreting data. Theoretical triangulation is when the researcher uses more than one theoretical position in interpreting data. Methodological triangulation utilizes more than one research method or data collection technique. Of these four triangulation methods, the researcher made use of the methodological triangulation approach due to its high ability to safeguard the validity and reliability of the research study. Additionally, methodological triangulation permits for a stable and reliable research result that

anchors this research study (Golafshani, 2003:604). The research instruments for this study are questionnaires and interviews. These instruments are critical in this research because they are highly utilized by scholars and researchers to safeguard studies related to the social sciences discipline (Golafshani, 2003:604). The research instruments are discussed further in the subsequent session.

4.5.1 Qualitative Research Methodology

Qualitative research is said to be realistic and naturalistic, and attempts to study the everyday life of diverse groups of people and societies in their natural background. It involves an explanatory, real-life approach to the subject of interest, which attempts to interpret, and study phenomena in terms of the connotation people attach to them (Denzin & Lincoln, 2003). Qualitative research focuses on developing explanations for social events or human problems. The purpose is to understand and assist in the social world in which humans live. Additionally, this form of research is concerned with human behaviours and how people respond to events in society. Domegan and Fleming (2007:24) argue that qualitative research investigates matters linked to the problem in question because, fundamentally, very little is known about these problems and uncertainty about proportions and characteristics of such problems exists.

Myers (2009:621) opines that qualitative research assists researchers in understanding people and their cultural and social backgrounds within the society in which they live. Creswell (1998:02) postulates that, “qualitative research is an investigation procedure of understanding a human and social problem in a natural setting.” Qualitative research also takes the complexity of the human thought process into consideration by integrating real-world context, which allows for the inclusion of different perceptions. Patton (2002:39) argues that the qualitative research approach is naturalistic in nature and tends to identify phenomena in specific settings. According to Hancock (1998:02), qualitative research emphasizes the social phenomena, which assist in understanding the world and its settings, and seeks to provide answers to the following questions:

- Why do humans behave the way they do?
- How are people’s opinions and attitudes formed?
- How do events affect people?
- How do societies and cultures develop the way they do?

- What are the similarities between various social groups and organisations?

In comparison to Hancock's questions, qualitative research places more emphasis on questions related to how often, how much, how many, and to what extent. Qualitative research is subjective, holistic, inductive, naturalistic, descriptive, phenomenological, and positivist in nature. Grahame (1999:14) opines that there exists a broad challenge when it comes to the definition of qualitative research. Olsten and Gurbrium (2001:55) define qualitative research within the context of the four major research traditions:

- Naturalism - it tends to understand the society and its environs.
- Ethnomethodology - it deals with the study of social interface in order to understand social order creation.
- Emotionalism – it locates the reality that has been stitched into the subjective fabric of the human experience.
- Post-modernism – it focuses on constructing a variety of social realities through discourse.

Bryan (2008:59) observes that similarities exist amongst these definitions of qualitative research, namely, the significance of social reality and human beings, inspecting a changeable reality, understanding the studied reality in a productive way (which adds meaning to the research study) and an effort to understand and seek meaning. Gillham (2000:10) states that the significance of qualitative research is evidenced in what people tell you about their duties and responsibilities, how it assists the researcher in the investigation process, as well as having first-hand knowledge of the events, which lead to results.

According to Denzin and Lincoln (1994:02), “qualitative research is multimethod and it involves an explanatory and true-to-life approach to the theme or subject matter.” This implies that researchers using a qualitative approach study things and events in their natural situations, and make sense of it or understand occurrences in terms of the meaning that people attach to them. This approach encompasses scientific study and the collection of experimental tools (such as introspection, life stories, personal experiences, observation, interviews, interaction and case studies) and visual texts, which are used to define the problematic, routine and valuable moments in people's lives (Denzin & Lincoln 1994). Denzin and Lincoln (1994) further explain,

“qualitative research highlights more on the processes which are thoroughly scrutinised or measured in terms of the intensity, quantity or the frequency.” In summary, the purpose of a qualitative research technique is to uncover the socially constructed nature of reality, which emphasises the relationship that exists between the researcher and the objective of the study as well as the significant nature of the investigation.

4.5.2 Justification for Qualitative Research Approach

The justification for using a qualitative research approach for this research is the desire to understand a human problem in a social context from a variety of perspectives. The objective of this research is to provide answers to the questions raised at the beginning of this study. The research questions highlighted in this study are a result of social problems, which have arisen from human interactions with policy, and an ineffective monitoring and evaluation system for SME development. Ile (2007:37) observes, “qualitative research enables the researcher to express his/her opinion or outcome that is imbedded in the literature and, as such, analyse information in a way that allows the researcher to tackle the research question or resolve a problem.” This research methodology is prompted by fundamental assumptions, which compelled the researcher to rely on a qualitative approach to carry out this research. Boodhoo and Purmessur (2009:6) observe that the theoretical and methodological expectations of a qualitative research approach include the following:

- A qualitative research approach places more emphasis on process than outcomes. For the purpose of this research study, the process by which an efficient monitoring and evaluation system for small business development can be achieved will be of paramount importance to identify and reveal. Therefore, the process will be appropriately revealed in this research study with a clear understanding of the phenomenon.
- A qualitative research approach assists the researcher in gaining more insights on the subject matter through participant observation, fieldwork, in- depth interviews and other techniques, in order to provide a descriptive study of human behaviours and the society. In other words, the researcher is responsible for data collection and analysis, which gives first-hand information and results.

- Qualitative research methodology, which uses grounded theory, makes findings more consistent and reliable. The theories studied are derived from all sorts of data that are analysed, giving more insights into the subject or topic that is being researched.
- A qualitative research approach helps with the cross–case analysis, appraisal and generation of descriptive theory about phenomena.
- The qualitative research approach is related to realism. According to Creswell (1998:76), reality is fabricated by the researcher or individual(s) involved in the research study that is being investigated. Therefore, the responsibility of the researcher is to report these realities, interpret the themes as well as the evidence from the field, and present the results.

It is important to know that a qualitative research approach is useful because it offers details related to human attitude, personality, emotions, characteristics and social constructs. The method used will assist the improvement of the monitoring and evaluation policy framework in SMEs sector.

4.5.3 Limitations of Qualitative Research Techniques

A variety of shortcomings exists when using a qualitative approach for collecting facts and data. Griffin (1985:173) and Frederikson, Chamberlain, and Long (1996:62) argue that qualitative techniques as instruments for data collection are sometimes subject to the following critiques:

1. The results and outcomes are likely to be influenced by the peculiarities and personal biases of the researcher.
2. Qualitative study heavily depends upon the decision of the researcher and his interpretation.
3. Often when there is a lack of resources, it is very difficult to collect data and to establish the accurate results associated with large-scale research.
4. Qualitative research is time consuming, especially when interviewing a respondent. It is a very intensive process when compared to a quantitative research approach.
5. Testing hypotheses and theories using a qualitative approach is very burdensome especially with huge participant tools.

4.5.4 Quantitative Research Methodology

Quantitative research methodology involves the use of surveys, questionnaires, and experiments to collect data. The data is reviewed and tabulated in numbers, which permits the data to be categorised by the use of statistical analysis (Hittleman & Simon, 1997:31). Quantitative research is designed to produce statistically reliable data that reveals how many people act or think a certain way. In other words, it is a technique that involves the use and analyses of numerical data using the statistical approach, which poses questions of who, where, when, what, how, how much, and how many. Denzin and Lincoln (1994:04) define quantitative research as an approach that does not include the investigation of procedures; but rather highlights the capacity and analysis of connections that are causal amongst variables within a setting. It is the numerical representation and manipulation of observation for the purpose of describing and explaining the phenomena that those observations reflect. It is used in a variety of social sciences and natural sciences, such as physics, sociology, psychology and geology.

Researchers using quantitative approach measure variables on a sample of themes and prompt the connection between variables using statistical figures, which can include relative frequency, correlations or differences between means, and their emphasis on the theory. Cohen (1986:15) defines a quantitative research approach as a social research that involves an empirical statement and empirical methods. Empirical statements are conveyed in mathematical terms and involve expressive statements about what “is” the case in the actual world relative to what “ought” to be the case. In quantitative research methodology, empirical evaluation is functional and strives to define the degree to which a detailed programme empirically achieves or does not achieve a particular goal. In a related view, Creswell (1994:12) defines quantitative research as a research procedure that explains phenomena by gathering data that are analysed using arithmetically and scientifically based methodology.

According to King, Keohane and Verba (1994:4), quantitative research uses numbers and statistical approaches, which are based on statistical quantities of precise phenomena. It is an extract from specific instances, which seeks general description from measurements, and analyses that are easily replicated by other researchers. Brannen (1992) states that a quantitative research approach is connected with perceptions and types, and not their occurrence and frequency. Brannen (1992:5) further explains, “quantitative research is concerned with approaches and large-scale

surveys rather than simply with behaviour and small surveys.” Quantitative research explains phenomena by collecting arithmetical data that are evaluated using arithmetically based approaches, statistics, in particular (Gunderson, 2000:23). This type of research strives for clarifications and expectations that generalise to other persons and places. In quantitative research, both sampling strategies and experimental designs produce generalizable results and the role of the researcher is to observe, measure, and avoid contamination of the data because of personal involvement with the research subject. Researcher objectivity is the primary concern (Glesne & Peshkin, 1992:06).

Quantitative research is designed to create statistically dependable data that communicates what people do or how they think. This methodology seeks to measure data by applying a statistical system analysis in order to generalise a specific population, based on the results of a representative sample of the population. The results are subjected to arithmetical manipulation to produce descriptive data of the entire population, with the goal of being able to project the results of future events under different conditions (Tustin, Lightelm, Martins, & Wyk, 2003:90; Cant, 2003). For the purpose of this research, substantial emphasis was placed on phenomena because it is key in quantitative research. In the same view, data can be collected and aggregated on a comprehensive magnitude of phenomena and made quantitative through data collation instruments or techniques.

4.5.5 Justification for Quantitative Research Approach

The reason behind using a quantitative approach for this research study is that this method administers and evaluates data quickly with accurate and reliable results. In addition, the mathematical data obtained through this process facilitates comparisons between individuals, clusters, establishments, and groups (Yauch & Steudel, 2003:473). The objectives and research question highlighted in this study are linked to a quantitative approach, which is connected to social and human problem. Using a quantitative research methodology for this study will help to produce generalised results. This technique is objective in nature and is used for investigating both human and social problems with the aim of testing a predetermined hypothesis and theories that are based on variables, which are measured and are well investigated by way of numerical procedures, so as to obtain a better understanding and get accurate results (Creswell, 1994).

Several attributes of quantitative research are highlighted by Creswell (1994) and include the following:

1. *Quantitative research approaches are concerned more about process and procedures rather than outcomes:* In this research study, the process of implementing an effective and efficient monitoring and evaluation system for the development of SMEs was deemed vital to uncover. This procedure will guide the research study into a deeper understanding of the phenomena.
2. *Quantitative research approaches assist in the provision of in depth data on a large number of units:* In this research study, a large number of the sub-population will be sampled and the quantitative research approach is, thus, most suitable for data collection.
3. *Quantitative research is appropriate for testing and validating theories and hypotheses that are constructed before the collection of data:* This approach will assist the researcher to have a clearer understanding of the phenomenon in this study.
4. *Quantitative research helps with the facilitation of arithmetic data:* This method uses the statistical approach for data collation. Therefore, quantitative research will help the researcher in processing the data and with the obtainment of accurate results and outputs.
5. *Quantitative research helps in simplifying research outcomes when they are simulated in different populations and sub-populations:* With the help of quantitative research, the researcher will be able to facilitate the outcome of the proposed research.
6. *Quantitative research results are very quick to get and are very reliable, and they provide precise quantitative and numerical data:* A quantitative research approach helps one get accurate and reliable results. Using the statistical or arithmetic approach for data collection makes it very quick and reliable.
7. *Quantitative research methodology produces credible results.*

4.5.5.1 Characteristics of Quantitative Research

According to Brink and Wood (1998:305), as well as Burns and Grove (1997:27), quantitative research embodies the following six characteristics:

1. It is often concise.

2. It allows for the performance of statistical analysis in order to organise and reduce data, organise the similarities, and decide on the significant relationships or connections within various groups of data.
3. The sample should be descriptive of a large population.
4. The validity and reliability of the instruments used are important.
5. It offers a precise account of the characteristics of particular individuals, situations, or groups.

4.5.6 Limitations of Quantitative Research Techniques

A quantitative research approach has its weaknesses when it is used for data collection in research. Some of the challenges of using a quantitative research approach include:

1. Quantitative research uses a large gauge and a descriptive set of data, which makes the procedure very cumbersome and time-consuming (Everitt & Hay, 1992:4).
2. Quantitative research methodology is constant because the tools cannot be adjusted once the research study commences.
3. Unverified variables within a quantitative approach might have program impacts.
4. A quantitative research approach, which attains self-induced information from questionnaires, is occasionally inadequate and inaccurate.
5. A quantitative approach sometimes leads to inaccuracies in the choice of processes for determining statistical significance, which results in inaccurate outcomes vis-à-vis their impacts.

4.5.7 Avoiding Shortcomings using Qualitative and Quantitative Methodologies

There are ways to mitigate some of the challenges associated with using a qualitative methodology as proposed and recommended by May and Pope (1995:112). The checklist suggested by Mays and Pope (1995:112) includes the following:

1. *Are the research questions clearly acknowledged or identified?* It is important to note that the research question of this study, which is to precisely determine the extent to which existing monitoring and evaluation systems (as adopted by SMEDAN) are effective and efficient in terms of achieving the pre-determined goals, is very clear.

2. *Was the background and the setting in which the research study took place clearly indicated?* The research is conducted in the SME sector in order to access the monitoring and evaluation system put in place as well as the development made so far by SMEDAN in the sector.
3. *Did the research study specifically discuss data collection and objectivity with the subjects?* The research definitely embraced the views and opinions of the participants in the research study. This can be confirmed by the reliable documentation and information collected throughout the study.
4. *Were approaches and methodology used to access and test the validity of the research outcomes of the research?* The research used the validation and reliability approach and the triangulation approach (qualitative and quantitative methods) to safeguard the research study and, thereby, ensure that it stayed valid and reliable.
5. *Was any step taken to increase the reliability of the information collated in this research study?* The research was carried out in the SME sector and the researcher, who has a background in the industry, liaised with staff and stakeholders in the SME sector in Nigeria for first-hand information.

4.6 Data Collection

This part of the research deals with the method of data gathering or collation, which has been streamlined to obtain the necessary information as well as to meet the requirements of this research. The systematic procedure of collecting and evaluating facts and data in a conventional way that allows a researcher to provide answers to stated research questions, test hypotheses and assess the outcomes of these tests, is referred to as data collection. According to Polit and Hungler (1996:267), data collection is “the information obtained during the course of a study or investigation.”

4.6.1 Data Collection Instruments

This section deals with the process of gathering data, which is structured to meet the information requirements of this study. According to Seaman (1991:42), data collection instruments refer to the tools used for collecting data, such as a checklist, personal or telephone interviews, interview schedules (structured or semi structured), observation, document reviews, focus groups, tests, town hall meetings, surveys, and questionnaires. In this research study, the data collected is composed of both primary and secondary data.

Thus far, this study has revealed the significant role played by the SME sector in Nigeria's developing economy. There is a need for an effective monitoring and evaluation system to be put in place so that the core mandate of the SMEDAN can be effectively accomplished. In order to obtain more in-depth information about this situation, data collection procedures which explore the opinions, beliefs, experiences, thoughts, mind-sets, and motivations of participants and respondents in the sector is necessary. The researcher's primary source of data in this study was questionnaires, which served as the main instrument. The combination of both structured and semi-structured interviews was also used and administered to respondents to supplement and validate the data gathered from the questionnaires. The secondary data used in this research were document analysis. The theoretical explanations of these instruments are further explained.

4.6.2 Questionnaires

The term "questionnaire" implies a collection of questions for the purpose of research. A questionnaire is defined as a document comprising questions designed to solicit suitable information for the purpose of analysis (Babbie, 1990:377). According to Babbie and Mouton (2001:239), "questionnaires are regularly used in association with many research designs in social research. Although, questionnaires are worthwhile and linked with survey research, they are frequently used in evaluation research, experiments and other data collection related activities." A questionnaire is equally used in experiments and survey research, as well as in other types of observational research. Brayman (2008) defines a questionnaire as a document containing a series of pre-determined questions, which requests truthful and self-generated answers from the respondents. The achievement of a questionnaire is determined by the accuracy of the data collected. Essentially, this depends upon the cautious design of the structure, contents and form of response that the questionnaire will take (Akintoye; McIntosh and Fitzgerald, 2000:168).

A questionnaire was developed for this study because it sufficiently captures all of the information required to answer the research questions (Dunn & Huss, 2004). Remenyi (1998:150) notes that in research, using a questionnaire helps to attain information that is not easily observed nor documented in any format (including a written form). A questionnaire can also be thought of as a tool for collecting and recording information about a particular issue of interest (Oppenheim 1993:260). Questionnaires

should always have a purpose that is related to the objectives of the research, and it should be clear from the onset how the findings will be used. One of the benefits of using a questionnaire in this study is that it will minimize the risk of misinterpretation, enable flexibility of the analysed data, and it is a scientific and objective tool. It is also relatively cost-effective. Using a questionnaire lends validity and reliability to this research.

4.6.2.1 Characteristics of Questionnaires

According to Brink and Wood (1998:298), attributes of questionnaires include the following:

1. A standard layout of the questionnaires is used for all participants, which is independent of the interviewer's disposition.
2. Questionnaires collect data on a broad range of themes within a limited timeframe.
3. Questionnaires are inexpensive compared to other methods of data collection.
4. Respondents can express their own views and thoughts based on their level of understanding without fear of identification.

4.6.3 Interviews

An interview is an event during which there is direct and personal contact with a participant who is asked to answer questions relating to the research problem. Interviews are procedures of collecting information through a verbal or written process of answering pre-meditated questions. According to Jorgensen (1991:85), interviewing is a process of properly asking questions about subjects or problems to shed light on the problem. Shneiderman and Plaisant (2005) note that an interview is productive since the researcher can follow up on detailed matters of concern that might lead to productive recommendations. Creswell (1994:148) states that, "an idea of qualitative research is to firmly pick informants, visual devices, or documents that best answer the research questions with no efforts made to randomly select informants."

An interview can take place in a variety of forms, including face-to-face individual interviews as well as group interviews. It can also be conducted by various methods, for example, via telephone or other electronic devices (such as a computer). Within the public administration and management field, Gill (2008:291) observes that interviews as well as focus groups are the best approaches for data collection in

qualitative research. Gill (2008) further explains that interviews are used to ascertain opinions, understandings, views, and inspirations of individual participants, whereas focus group are used to create group dynamic qualitative data. Reasons for the usefulness of the interview approach in data collection includes:

- It is very useful for obtaining in-depth information.
- Only a few participants are required to gather detailed and rich data.
- Interviews allow personal contact with participants, which leads to productive and detailed recommendations (Shneiderman & Plaisant, 2005).

There are three types of interviews in research, and they are structured, unstructured, semi-structured and interviews. Each is described below.

Structured interviews: According to Silverman (2000:03), “structured interview questions are determined and orally disseminated with no intent to monitor questions that need clarity”. In structured interviews, the interviewer uses premeditated questions, which are detailed and visibly formulated. Often times, the questions are closed and, thus, require defined answers from the respondents with listed options presented or accessible on a paper. Silverman (2000) also notes, “structured interviews enable little participant feedback and little use of “depth” is essential.” Preece, Rogers, and Sharp (2002:35) state that structured interviews are suitable when the objectives of the research study are clearly defined and the questions are acknowledged by the researcher. This process of interviewing forms part of the interview design used in this research. The researcher subscribes to Rogers and Sharp’s (2002) view and a structured interview was one of the instruments used in this study.

Unstructured interviews: This method of interview was developed within the social sciences field to stimulate people’s social realities. According to Minichiello, Aroni, Timewell, and Alexander (1996:65), unstructured interviews do not either possess pre-arranged questions or answer groupings. Instead, they rely on communication between the researcher and respondents. Punch (2002:328) defines unstructured interviews as “a process of understanding the multifaceted attitude of people which is devoid of imposing any a priori arrangement which may influence or limit the field of enquiry.” These types of interviews enable the researcher to pose some open-ended questions, and the respondents to express their beliefs freely. The effect of this is that both the researcher and the respondent are at ease because they brainstorm and

deliberate at length on the subject matter; both the researcher and the respondents determine the direction of the interview. According to Patton (2002:23), the absence of pre-set or established interview questions offers little assistance on what to deliberate on and, as such, the researcher may be unable to attain the stated research goals. Unstructured interviews, therefore, are only considered where significant “depth “is essential and little is known about the topic (Patton, 2002:23). Thus, this type of interview is not recommended for this study.

Semi-structured interviews: Semi-structured interviews use open- and closed-ended questions and have characteristics of both structured and unstructured interviews. According to Britten (1999:19), a semi-structured interview is “a qualitative method of collating data and allows flexibility with the structure of the questionnaire and gives the respondent understanding of the phenomenon putting the interest of the researcher along.” Semi-structured interview questions are arranged in such a way that there is a wider array of possible answers for questions that are open-ended and facts about the phenomenon under investigation can be revealed using a real-life perspective Using this method in research has its shortcomings because additional information may arise when conducting interviews. Scholars have also argued that it might result in poor management of the information received (Britten, 1999:19). In order to minimize the limitations of using semi-structured interviews, the researcher incorporated concepts and theories relevant to this research topic. Specifically, questions related to the variables of this research study were used, including questions related to systems, policy development, and monitoring and evaluation. The views of Britten (1999:19) and Preece, Rogers, and Sharp (2002), that a well-structured interview schedule was designed by the researcher, are embraced. Interview schedule consists of various segments, which are comprised of several themes that relate to the study, and was distributed, in person, to the staff of the SMEDAN in Abuja to obtain first-hand information from the agency.

4.6.4 Document Analysis

Document analysis is the third data collection instrument used in this research study. Document analysis is a methodical process for assessing and reviewing documents (both electronic and printed) and materials that are computer centred or transmitted via the internet. Similarly, to other systematic approaches in qualitative research, document analysis assists to developing empirical knowledge and understanding (Corbin & Strauss, 2008). According to Atkinson and Coffey (1997: 47), a document

is “societal information, which is created, collected, and used in socially controlled ways.” The documents that are considered useful for efficient assessment in this research study take on a variety of forms. Document analysis is frequently used when combining other approaches with qualitative research methodology known as the triangulation approach, “which is the arrangement of procedures in the study of the same phenomenon” (Denzin, 1970: 291).

For the purpose of this research study, the researcher consulted and used several materials. Information was collected from the offices, as well as the website, of the SMEDAN, Bank of Industry (BOI), Central Bank of Nigeria (CBN), Federal Ministry of Information, Federal Ministry of Trade and Industry, National Bureau of Statistics (NBS), Ekiti State Government of Nigeria, Ondo State Government of Nigeria, and Ondo State Chamber of Commerce and Industry (OSCCI). Others include the Nigerian Institutes of Social and Economic Research (NISER) library, and the School of Government Library, the University of the Western Cape Library and their websites. Some documents were easily accessible online, while the researcher telephonically requested the materials that were not available online. The researcher also made use of other documents, including speeches from seminars, conferences, and workshops, as well as policy-related documents, National Assembly reports, the Constitution of the Federal Republic of Nigeria, annual reports of commercial banks, published articles, journal articles, textbooks, media statements, and press announcements. The target population and setting is described in the next section.

4.7 Population and Settings

Population refers to the collection of all objects or elements which the researcher desires to make specific conclusions about. It is a comprehensive set of cases from which a sample is taken (Yin, 1989:18). Polit and Hungler (1999:232) define a population as “the entirety of all themes that adapt to a set of stipulations, encompassing the whole group of people that is of concern to the researcher and to whom the research outcomes can be generalized.” When studying a population, it is important to ensure that it is comprised of people (stakeholders) with information needed by the researcher (Alreck & Settle, 1995:5). The researcher adopts Polit and Hunger’s (1999) population definition for the purposes of this research.

The population for this study was comprised of the members of staff of the SMEDAN and SME proprietors operating within the 18 Local Government Areas of Ondo State, a sub-group population in Nigeria. The researcher met with staff of the Ondo State Micro-Credit Agency and the Ondo State Ministry of Commerce and Industry, both of which are located in Akure, Nigeria, to obtain details of the current registered small business proprietors across the states, especially in the agricultural sector. The researcher proposed to interview 20 staff members of the Monitoring, Planning, Policy and Evaluation Department of SMEDAN. The following is the group of staff members that was involved in the interview process: director, deputy director, planning officers, monitoring and evaluation officers, and other relevant personnel in the department that could avail the researcher with useful information for the research purpose.

4.8 Research Sample

A sample is defined as a small portion of the total set of objects, events, or people, which together encompass the theme of a study (Seaberg 1988:240). Arkava and Lane (1983:27) explain that a sample is the portion of the population actually considered for inclusion in a study or viewed as a subset of measurements drawn from a population. In other words, it is a sub-group of a population. Sampling is a process of choosing a smaller and more manageable number of people to take part in a research project. According to LoBiondo-Wood and Haber (1998:250), a sample is “a portion or subset of the research population selected by the researcher to participate in a study, which represents the entire research population.” A sampling frame is a source material or device from which a sample is drawn; it is a list of all those within a population who can be sampled and may include individuals, households, or institutions. The researcher agrees with Seaborg’s (1988:240) sample definition and will primarily focus on members of staff in the Monitoring, Evaluation, Planning and Policy Department of the SMEDAN for in-depth interviews. This sample will help give an account of the agency’s roles, responsibilities, and oversights with regard to monitoring and evaluation systems and frameworks for SME development.

This research uses purposive, stratified random sampling, and snowball sampling. In purposive sampling, groups participate according to pre-designated principles applicable to a specific research question or objective (Creswell, 2005:204). Purposive sampling is a “non- probability sample based on the researcher’s own

understanding of the population, its basics, the nature and purpose of the research” (Babbie & Mouton, 1997). This approach is beneficial if a researcher anticipates studying “a small subdivision of a bigger population in which numerous members of the subdivisions are recognised though the enumeration of the entire population is virtually impossible (Babbie & Mouton, 1997). Snowball sampling is also used in this research as part of a purposive sampling approach (Creswell, 2005). This kind of sampling involves using the social connections or networks of participants who have been previously contacted to help the researcher determine which other individuals could contribute to or take part in the study.

Stratified random sampling aims to reduce the likelihood of using samples, which are less important and ensures that all the segments of the population are represented in the survey or sample, which helps reduce errors and increases efficiency (Cochran, 1977). It is a process of dividing the entire population into various sections so that each segment is selected. The SMEs proprietors across the 18 Local Government Areas will be divided into various units and sampled as part of a stratified random sampling strategy. The researcher used questionnaires to sample 180 small business proprietors across Ondo State, Nigeria. The process was time- and money-consuming.

Babbie and Mouton (2001:19) note that snowball sampling is suitable when participants of the populations are difficult to find. During the fieldwork in Ondo State, the researcher encountered some difficulties with data collection. There was a strike by the Ondo State Chapter of the Nigerian Labour Congress (NLC) for non-payment of staff salaries by the Ondo State Government. This led to protests in Akure, the capital of Ondo State, which affected business activities and, thus, several businesses were closed during this period. It was because of this situation that the researcher utilized a snowball sampling method by specifically requesting the contact details of potential participants from whom additional data may be obtained for this study.

This information was gained through the assistance of the participants to whom questionnaires were first administered, who represent sixty-eight percent of the entire study population. The participants assisted the researcher by locating the contact details of an additional thirty-two percent of participants from the population to provide the essential information. The snowball sampling is a methodology for

finding more information from informants, and according to Creswell (2005), it is not a singular action; rather, it is a mode of choosing participants and then using instruments, such as surveys and interviews. The reliability and validity of this research is discussed next.

4.9 Validity and Reliability of the Study

According to Leedy, Newby, and Ertmer cited in Ali (2003:316), validity and reliability are two words frequently used in research methodology and are referred to as the key to measuring research credibility. While the researcher in this study interchangeably uses validity and reliability, there is a slight difference between the meanings of these words. Joppe, in Golafshani (2003:598) describes reliability as the level to which results or outcomes are reliable and consistent over a period. It is a true description of the entire population under study. Joppe further explains that when the outcomes of a study can be reproduced using related methods, the research instrument is reliable. Babbie and Mouton (2001:75) opine, “reliability is a matter of whether a particular technique, applied repeatedly to the same object, would yield the same result each time.” Therefore, reliability is associated with the stability, dependability, and consistency of a quantifying pool. The researcher acknowledges that the research instruments selected for this study have both advantages and limitations, which will be addressed.

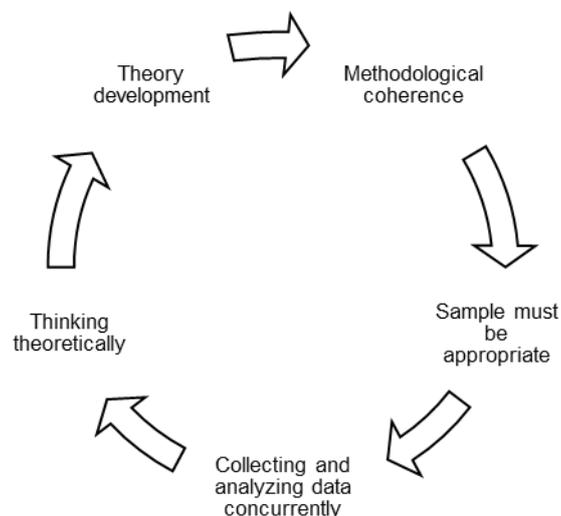
The validity of a tool or instrument “determines the level to which the tool or instrument replicates the abstract perception that is being examined” (Burns & Groove, 1987:294). Burns and Groove add that valid data can only provide an accurate picture of what has been studied. The opinions of various researchers lay much emphasis on the various methods adopted by the researcher to strengthen the validity and reliability of the research. As previously noted, the researcher used the triangulation approach to minimize any perceived gaps. Morse, Barret, Mayan, Olson, and Speirs (2002:13) outline several verification strategies:

1. There must be an operational approach, which is consistent and pragmatic to ensure that there is a link between the mechanisms of the method and the research question. According to Morse et al. (2002), the “relationship of qualitative research demands that the question match the technique, which matches the data and the methodical processes.” The researcher espouses this

idea by Morse et al. (2002) due to the critical analysis of the monitoring and evaluation systems for the development of the SMEs development in Nigeria. The triangulation approach was used to evaluate the variables in this study to ensure the conformity and consistency of the data.

2. The sample must be appropriate when collating data and this can only be achieved when selected participants have a clear understanding or knowledge of the research or topic. The idea is to establish efficiency and effectiveness so as to produce optimal data and minimal dross (Morse et al., 2002:11). In line with this, the key participants in this study were carefully selected by the researcher because of their knowledge and understanding of monitoring and evaluation systems for the development of the SME sector. Morse et al., (2002:12) stated, “sampling competence, proven by saturation and replication, connotes that satisfactory data to account for all facets of the phenomenon have been attained.” Morse et al. (2002:12) further clarify that saturating data guarantees repetition in groups, and repetition validates and certifies comprehension and completeness.
3. The process of data collection and data analysis is a joint interface between what is well known and what is to be known. Therefore, the population’s responses to the interviews and questionnaires were adequately verified before analysing the data collected during this study. The shared characteristic of data and data analysis is the attainment of reliability and validity (Morse et al., 2002:12). Thinking hypothetically is another way to boost validity and reliability vis-à-vis inspection and re-inspection.
4. Theory development is the examination of both the micro- and macro-perspectives of data using theoretical and conceptual knowledge. According to Morse et al. (2002:13), two instruments establish a theory: (a) the outcome of research procedure, which is used in this way rather than being embraced as a framework to move the analysis alongside, and (b) the pattern for comparing an additional development of the theory. The researcher conforms to and uses the latter in this study.

Figure 4.3: Verification strategy



Source: Morse et al. (2002)

The researcher acknowledges that the process of ensuring reliability and validity is continuous, rather than static. Figure 4.3 illustrates Morse et al.'s (2002) procedure that safeguards the reliability and verification of research, which the researcher has abided by. As noted previously, using a triangulation approach to obtain data helps to uphold the reliability and validity of the research.

4.10 Ethical Approval and Consideration of the Study

Prior to embarking on this research, the researcher sought ethical approval from the Senate Research Committee of the University of the Western Cape. The Committee approved the methodology and ethics of this research project before the researcher embarked on the study. The instruments used for this study are questionnaires and interview schedules. The researcher interviewed relevant top civil servants as well as government officials within the Monitoring, Evaluation, Policy and Planning Units at the head office of the SMEDAN (located in Abuja, Nigeria). The purpose of this was to obtain useful information in order to develop a better understanding of the challenges faced regarding monitoring and evaluation systems for SME development in Nigeria. In addition, the researcher dispensed questionnaires to SME proprietors in Ondo State, Nigeria, to obtain first-hand knowledge and understanding with regard to monitoring and evaluation systems put in place by the SMEDAN to support the development of SMEs in Nigeria. In order to present the study from the participants' point of view, fieldwork exercises were prepared and executed to clarify certain issues

of concern. The process was carried out with quality affirmation and integrity. The researcher, therefore, pursued appropriate sources to obtain information significant to the study. Finally, the study observes confidentiality and anonymity where necessary.

4.11 Delimitation of the Study

This study covers the SME sector and other stakeholders of the Federal Ministry of Trade and Investment and its subsidiaries. The focus of this study is the SMEDAN and proprietors of SME, specifically the agricultural-related sector in Ondo State, Nigeria. The research area was restricted to Akure, the capital city of Ondo State, Nigeria. The state is located in the South West region of Nigeria, encompassing 18 Local Government Areas. Ondo State covers an area of 14,793 square kilometres and its administrative capital is Akure.

The state is bordered by Ogun and Osun states in the west, by Kogi and Ekiti states in the north, by Delta and Edo states in the east and by and in the south by the Atlantic Ocean in the south. Twenty-five employees within the Monitoring, Evaluation, Policy and Planning Units of the SMEDAN and proprietors of SMEs in the agricultural sector formed the population of this study. Amongst the total registered SMEs located in the state, a total of 180 small business owners were sampled to share their views and experiences with regard to the SMEDAN activities and their enhancement of the development of the SME sector. Personnel in the Monitoring, Planning, Policy and Evaluation Unit at the SMEDAN who are responsible for policy implementation (which entails ensuring that the goals and mandate of the agency are achieved through transformation and taking responsibility, accountability, performing oversight functions and ensuring effectiveness) were also participants in the study.

4.12 Data Analysis Procedures

The Statistical Package for Social Sciences (SPSS) was utilized to analyse the data collected in this research. SPSS has the flexibility to analyse large amounts of data within minutes. It can also generate unlimited simple and sophisticated statistical results. The responses of the participants were analysed, and the following extrapolated frequency distributions, simple frequency, distribution tables, polygons, pie charts, graphs, cumulative frequencies, and other distributions. The aim of this was to confirm the reliability of the measuring instrument for the current sample, as well as the sub-scale of each instrument.

4.13 Chapter Summary

Chapter 4 broadly discussed the process embarked upon by the researcher in collecting relevant information for this study. Developing an effective monitoring and evaluation system for the SMEDAN for the transformation of the SME sector in Nigeria is subject to the following components: implementation of policy, oversight and accountability. Therefore, an appropriate research structure was considered for this study before a suitable approach was finally chosen. This study utilised mixed methodology (qualitative and quantitative) to gather and analyse information. This approach is very useful in attaining various methods of data and enhances validity and reliability. A mixed method approach, which uses questionnaires and interviews, was implemented in this study to collect information.

The choice of the mixed methodology for this study provides an opportunity for presenting comprehensive information and summaries with the use of figures and statistics. As such, questionnaires were distributed to respondents to get first-hand information from SME proprietors. Likewise, interview schedules were disseminated to staff members of the SMEDAN for additional information that supported this study. This process of gathering information allows the inquiry of contextual veracities on the differences between what was pre-meditated and what happened in reality. The limitations of using this methodology for this research has been discussed in earlier sections of this chapter. However, mixed methodology has demonstrated itself to be an effective and efficient approach. This approach also has the qualities of objectivity and respect for valid information and data. The next chapter discusses the research findings, analysis, interpretation, and presentation of the data.

CHAPTER FIVE: DATA FINDINGS AND ANALYSIS ON SMEDAN M&E FOR IMPROVED OVERSIGHT AND EFFICIENCY

5.0 Introduction

The preceding chapter reflected on the data collection and the research methodology required for the research study. Chapter 5 evaluates issues related to the Small Medium Enterprises Development Agency of Nigeria's oversight and efficiency in developing the SME sector in Nigeria. Part of SMEDAN's responsibility is to ensure and establish a well-structured and effective SME sector that will accelerate sustainable economic development in Nigeria. Therefore, this chapter will highlight the instruments used in the study and provide the framework for the discussions and arguments of the findings guided by the research questions and objectives. Chapter 5 explores accountability and oversight functions of SMEDAN, as well as policy implementation towards the development and transformation of the SME sector in selected agro and allied SMEs in Ondo State, Nigeria by assessing the framework for SMEs effectiveness as well as evaluating M&E systems put in place by SMEDAN, respectively. The research instrument guides the research objective of this study. Data collected for the purpose of this research encompasses two sets of respondents: 1) SMEDAN staff, and 2) SME owners/ managers. An interview schedule and questionnaires were the data instruments used. The position of the SME sector accountability and oversight function are first discussed, the respondent's biographic data are then unveiled, and then data themes with regard to evaluating SMEDAN framework for SMEs' effectiveness and efficiency are discussed and analysed. The data reveals SMEDAN's monitoring and evaluation systems for SME development in Ondo State, Nigeria. The data findings and analysis from the research study are presented in turn below.

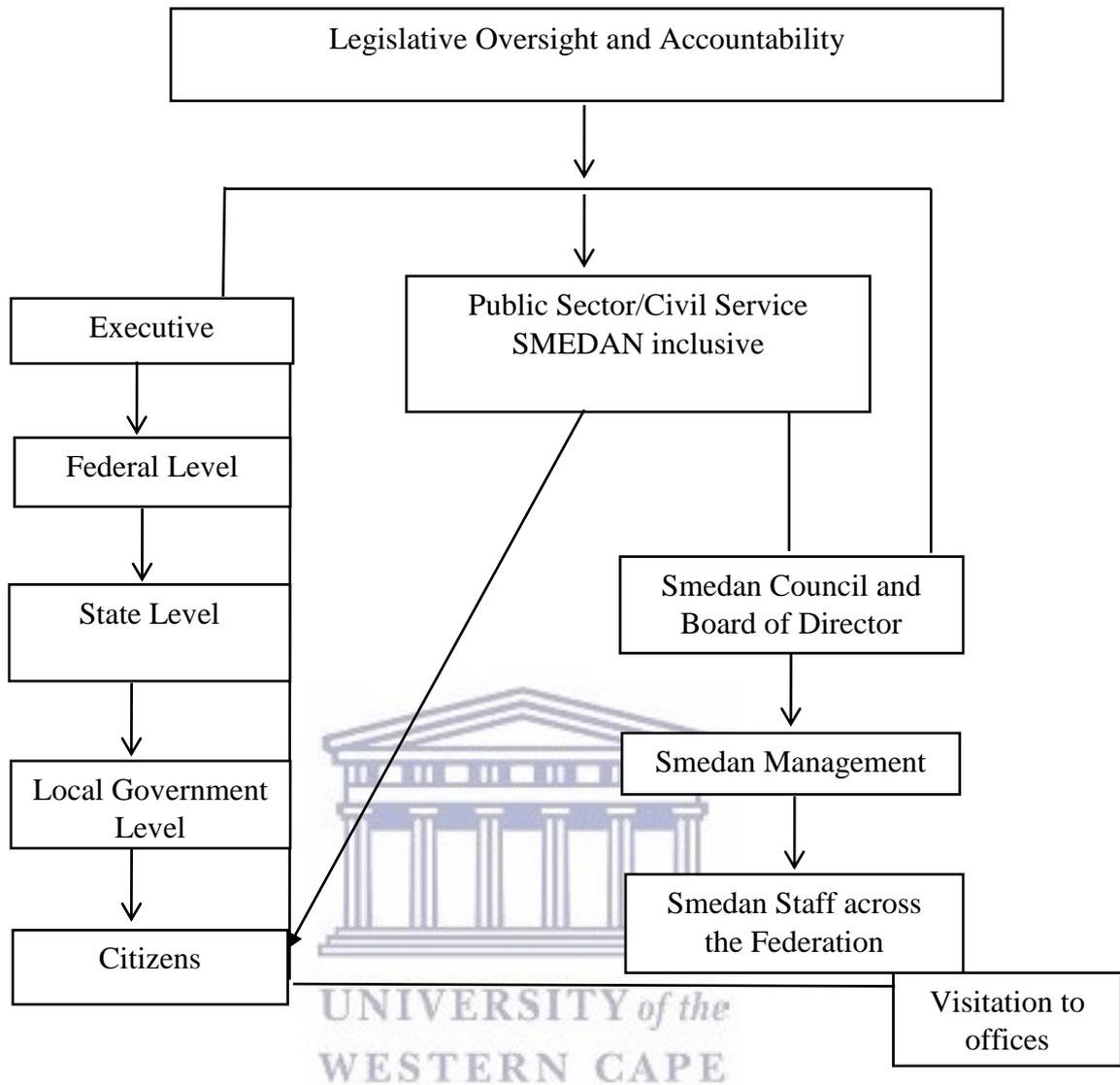
5.1 Exploring the Oversight Function and Accountability within SMEDAN M&E

The purpose of the oversight function is to ensure transparency, accountability, and ensure that policies are strictly adhered to effectively and efficiently. In Nigeria, section 88 of the 1999 constitution empowers the legislature (upper and lower house) to perform oversight functions on the executive arm of government and its departments, ministries and agencies. In addition, subsection 2(b) of the constitution of the Federal Republic of Nigeria empowers the national assembly (the Senate and

House of Representatives) to uncover wastage of resources, inefficiency, incompetence, and corruption within the government and its agencies. In view of this, The Senate Portfolio Committee on Industry, Trade, and Investment, and the House of Representative Committee on Commerce at the national assembly have the mandate to perform oversight functions on government parastatals, including SMEDAN. However, within the government circle, to complement the legislative oversight duties and responsibilities, the Federal Ministry of Industry, Trade, and Investment under the watchdog of the Honourable Minister set a ministerial task force committee on SMEs development to critically look into the activities of the agency.

In addition, there is also a presidential task force committee on SMEs development with the aim to monitor and check the activities of SMEDAN in line with its mandate. Lastly, the board of directors set up a special committee that monitors the agency programmes to ensure full compliance with its goals and mandates. The researcher critically examines the national assembly's oversight functions and accountability towards government departments and other institutions within the government circle that plays oversight function on its agencies. While performing the role, the agencies themselves are not exempted to accountability and oversight. The researcher contends that the existent of the two variables cohabitate, and there is a link between an agent and its principal. Figure 5.1 illustrates the techniques used by the national assembly (the Senate and the House of Representative) in performing their legislative duties and responsibilities in public sectors and other government parastatals including SMEDAN as mandated by the 1999 constitution of the Federal Republic of Nigeria.

Figure 5.1: Oversight Function and Accountability Tools for SMEs Sector



Source: Stapenhurst et al. (2008:04) adopted by the researcher

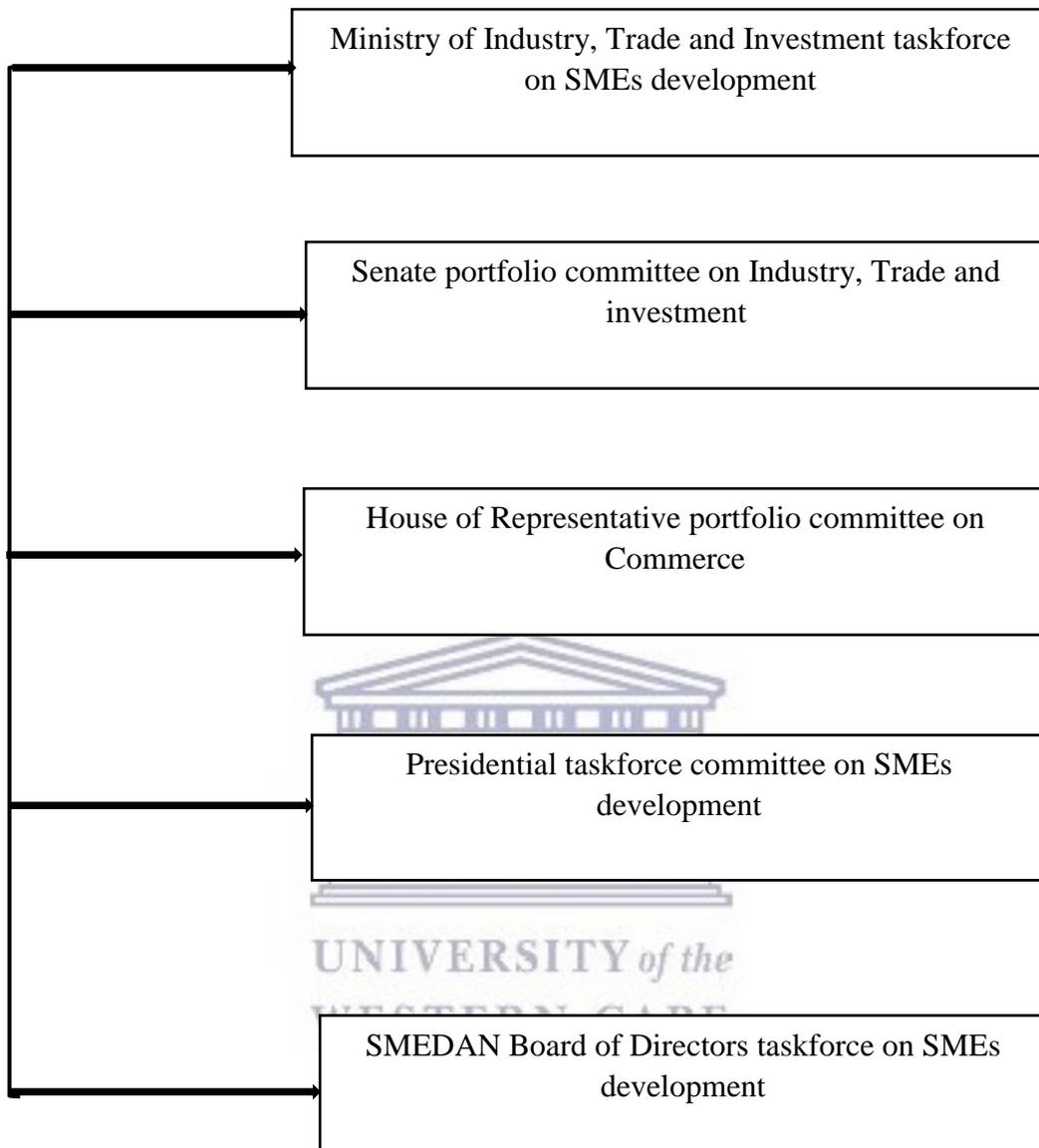
The parliamentarians at both the Senate and House of Representatives level perform oversight functions through the portfolio committees name Senate Committee on Trade and Investment and House of Representatives Committee on Commerce respectively. There are three key functions carried out by the parliamentarians when carrying out oversight and accountability functions: 1) representing their constituency interest, 2) enacting laws, and 3) supervising executive arm of government and its parastatals and agencies for performance. For the purpose of this study, the researcher’s focus is on the latter performance and transformation of the SME sector by SMEDAN via oversight functions carried out by lawmakers and other establishments to monitor the SME sector in terms of accountability and performance. Aside from the Senate and the House of Representatives performing oversight

functions as required by law, other institutions within the executive arms of government also perform oversight functions on SMEDAN programmes and activities.

Nigeria operates a bicameral legislative system known as the upper and lower houses, that is, the Senate and the House of Representatives. The Senate Committee on Trade and Investment and the House of Representatives Committee on Commerce are oversight bodies mandated to act as watchdogs over the activities of ministries, parastatals, units, and agencies in charge of businesses and industries in the country. As can be seen in Figure 5.1 above, the committees follow a variety of procedures to carry out their tasks over the executive departments and agencies. According to Scoville (2013), accountability and oversight model regarding questions in verbal or written forms can be presented in reply to the President, the Vice President, and the Ministers involved in matters concerning their jurisdiction. In addition, the parliamentarians set aside time to ask fundamental questions from the Ministers, heads of government parastatals, agencies, units, and ministries on programmes and projects within their jurisdiction on issues of transparency and clarity.

The question and answer sessions often lead to debates on crucial matters that need swift and joint attention. They further note that there are certain methods used during lawmakers' debates for steering oversight and accountability. These include committee reports deliberations, displaying, examining and discussing the implementation of the policy and budget, as well as interactive questions from the parliamentarians to the executive members. The lawmakers cautiously scrutinise departments, ministries, and parastatals' budgets against their proposed planned annual activities, and thus ensure caution, value for money, and accounting for all pennies spent. The researcher discloses the data trends obtained from respondents and provides the analysis of accountability and oversight functions on policy objectives in ensuring SMEDAN transformation and development of SME sector in Nigeria.

Figure 5.2: SMEDAN Oversight Structures



Source: Authors configuration of SMEDAN Oversight Structures 2017.

Although established by an act and passed by the National Assembly under act No 16 of the laws of the Federal Government of Nigeria on June 19, 2003, SMEDAN is a parastatal under the Ministry of Trade and Investment. Over the years of its establishment, various oversight structures have been put in place to check and monitor the agency's programmes and activities for proper accountability and efficiency. Figure 5.2 shows a breakdown of the various responsive structures performing oversight function at the agency.

(1) The Ministry of Industry, Trade, and Investment Taskforce on SME Development Oversight Functions

This is under the watchdog of the Honourable Ministry and the ministry often carries out oversight tasks on SMEDAN activities to ensure accountability efficiency. As the ministry in charge of the agency, they carry out their assignment on a quarterly basis, and SMEDAN Chairman gives feedback directly to the Minister. The purpose of the task force under the watchdog of the Honourable Minister is to check if the various activities and programmes of the agency are in line with the mandate as well as responsibilities assigned to SMEDAN. The agency is mandated to submit quarterly comprehensive reports of the agency activities. The purpose of this exercise according to the then Honourable Minister of Trade, Mr Olusegun Aganga is to ensure transparency, productivity and effective service delivery. In addition to the points highlighted, the task force also determined various challenges confronting the agency in discharging their duties and responsibilities as at when due and ensure prompt solutions to the problem identified. The researcher observed, oftentimes, decisions that required urgent attention from the Minister of Trade when SMEDAN reports are submitted are not promptly dealt with in due time, as a result of bureaucracy, numerous engagements on the part of the minister, non-delegation of responsibilities, budgets constraints, inefficiency amongst staff of the Ministry of Trade to mention a few. All these factors sometimes inhibited SMEDAN performance and led to poor service delivery, making the task force oversight function oftentimes ineffective.

(2) The Senate Portfolio Committee on Trade, Industry, and Investment and the House of Representative Committee on Commerce

The 1999 constitution of the Federal Republic of Nigeria (as amended) allows bicameral legislative system comprising the upper house, known as the Senate and the lower house known, as the House of Representatives. They deliberate on legislative matters in the country by acting as check and balance to the executive arms of government. This act is carried out through the process of performing legislative and oversight function on government departments, ministries, agencies and other institutions in the private sector as well. The Small Medium Enterprises Development Agency of Nigeria is compelled by law at interval, in most cases, yearly to present its budget to members of both houses (Parliamentarians). The parliamentarians through the Senate Portfolio Committee on Trade, Industry, and Investment as well as the House of

Representative Committee on Commerce summons SMEDAN through either a joint session or separate sessions to present their budget and their programmes for the development of the SME sector for the financial year. The Senate and House of Representatives exercise their oversight functions on yearly basis. However, if need be, perhaps due to urgent and imperative issues, the parliamentarians at interval summon the agency to give account of their stewardship. The purpose of this exercise is to ensure transparency, accountability, responsibility and thus service delivery. Despite this herculean task from the legislature, that act as check and balance to the agency, occasionally A senior staff of the agency affirmed that “SMEDAN failed to perform their task and responsibilities due to internal factors (non-availability of skilled and experience personnel, mal administration, corruption,) and external factors (funding challenges, non-support from other relevant stakeholders, nepotism and favouritism) to mention a few”.

(3) The Presidential Taskforce Committee on SMEs Development

The taskforce carries out oversight functions four times a year and gives its reports to the President of the Federal Republic of Nigeria through the Special Adviser to Mr President on SMEs development for prompt intervention. The taskforce is mandated to ensure a productive SME sector that aimed at transforming the informal sector through creation of job opportunities and hence sustainability of socio-economic transformation of the nation. The committee engages with all relevant stakeholders in the informal sector and organised private sector through collaboration to ensure the transformation of the SME sector. The Director General of SMEDAN is a member of the committee and often gives report of the agency’s activities to the committee chairperson for prompt intervention from the presidency. The committee is expected to act as an agent of change for the transformation of the sector in due time due to member’s expertise within the committee. However, the researcher observed some challenges that may impede the taskforce success due to political differences and favouritism of each member geo-political zones. All these factors may delay effective results from the committee. The interest of the nation should come first before ethnic interest.

(4) The Chairman/Board of Director of SMEDAN Oversight Committee

The team is set up to look at the activities of each department of the agency, ensure compliance and that they carry out their tasks effectively and efficiently in line with the

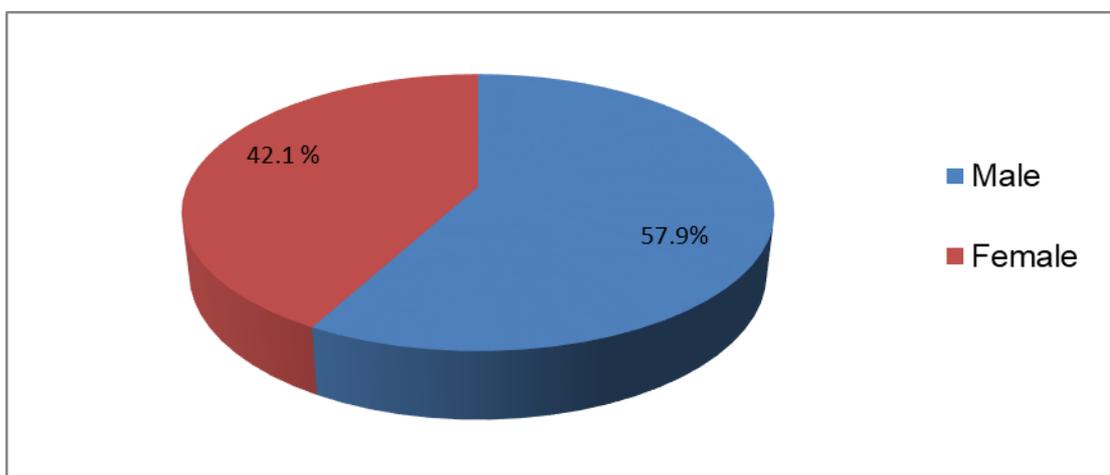
agency mandate. The directors and head of each unit are compelled to give feedback to the agency Chief Executive Officer/Director General. The Chairman/Board of Directors of SMEDAN task force committee, habitually supposed to meet every quarter to perform their oversight function. Since the inauguration of the task force committee in 2014, they have productively met twice on a yearly basis. Based on the analysis above, the oversight functions of the designated structure for SMEDAN effectiveness is pitiable in terms of discharging their duties and responsibilities. The lackadaisical attitude of these oversight structures encourages mal administration, corruption, ineffectiveness and inefficiency on the part SMEDAN to perform ineffectively well. There is an urgent need for an effective and efficient structure that is result and goal oriented which will ensure productivity and results in the sector.

5.2. Institutional Profile to Support Accountability and Effectiveness

The Small and Medium Enterprises Development Agency of Nigeria established under Act No 16, laws of the Federal Government of Nigeria in June 19, 2003 vision is to establish well-structured and functioning SME sector that will speed up sustainable and socio-economic development in Nigeria while the agency mission is to facilitate the access of micro, small and medium entrepreneurs as well as investors to all resources required for their development. Hence, the establishment of the agency is therefore justified by the need to trigger the development and growth of Nigeria's SME sector in a structured and efficient manner. The target recipients include prospective entrepreneurs and investors, small, micro and medium enterprises, SMEs support institutions, Non-Governmental Organisations, and Business Membership Organisations as well as the Federal Government. To achieve these goals as mandated by law, SMEDAN has to put together within its reach, various departments, and units comprising human and material resources in order to fulfil its vision, mission and mandates. For the purpose of this research study, the researcher administered instruments to specific departments and units within the agency vis-à-vis monitoring and evaluation, planning and policy, enterprises development as well as accounts and budget to mention a few in order to get first-hand information about the agency roles, responsibilities in transforming SMEs sector in Nigeria.

The biographic data of respondents sampled for the purpose of this study are discussed and analysed in the next segment.

Figure 5.3: Staff capacity- gender breakout



A total of 19 staff members spread across monitoring and evaluation, planning and policy, enterprises development as well as accounts and budget departments at SMEDAN headquarters in Abuja, Nigeria participated in this study. Figure 5.3 shows the gender component of the sampled population. This includes 11 males, representing 57.9%, and 8 females, representing 42.1%.

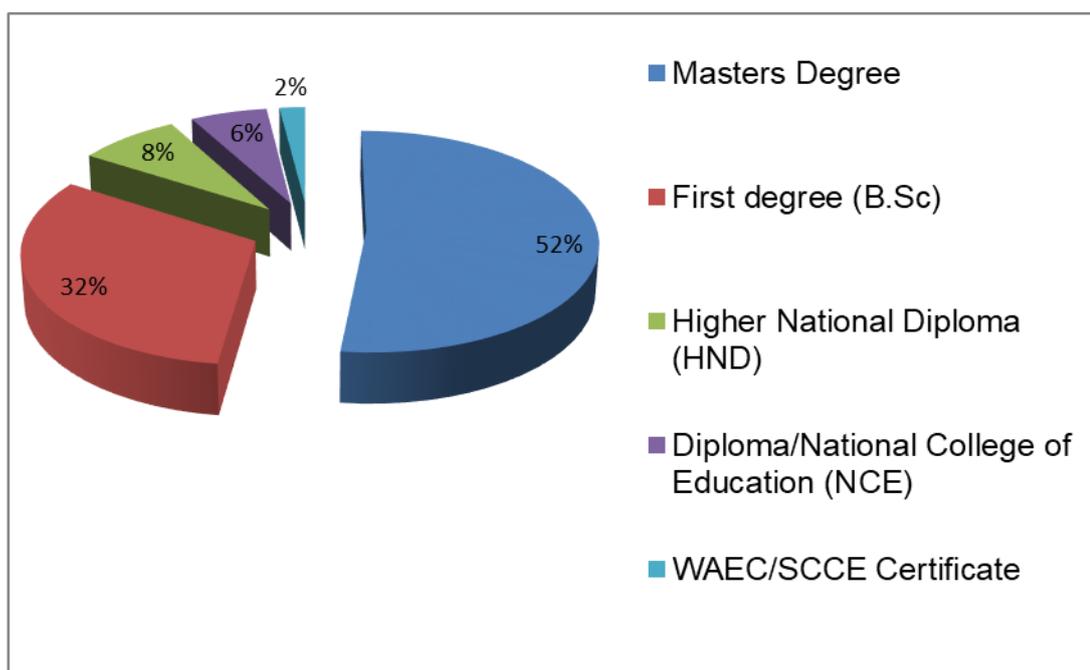
Table 5.1: Staff capacity - age breakout

Age	Frequency	Percent	Valid Percent	Cumulative Percent
28-36	4	21.1	21.1	21.1
37-45	10	52.6	52.6	73.7
46-54	4	21.1	21.1	94.7
Above 55	1	5.3	5.3	100.0
Totals	19	100.0	100.0	100.00

Respondents ranged in age from 28 years of age to 55 and above. From Table 5.1 above, respondents between age brackets of 37–45 years have the highest frequency with 10 employees representing 52.6%, followed by respondents in age brackets 28-36 years, and 46-54 years with 21.1%. In addition, respondents aged 55 years and

above represent 5.3%, which was the lowest in the study. The significant value of those in the 37-45 age brackets and that of 55 above are influential to SMEDAN productivity. According to Skirbekk (2008:01), productivity in workers improves and stabilizes during early years in the labour market, and then routinely falls off towards the tail end of working period. The age ranges of staff within 37 – 45 years are still very young and energetic. Therefore, the output contribution per employee to productivity is substantial, and, thus helps the agency in terms of work productivity.

Figure 5.4: Educational Qualifications



The educational qualifications of SMEDAN employees are shown in Figure 5.4 and indicate that most of the workers have higher degree qualifications. The breakdown of the respondent’s educational background includes the following: 52% of the workers have Master’s degree, 32% have Bachelor’s degrees, and 8% of SMEDAN workers have Higher National Diploma (HND) certificates. Six percent of the employees have a Diploma/National Certificate of Education (NCE), while only 2% have WAEC/Senior Secondary School Certificate Examinations (SSCE). Although the majority of the staff members (84%) have a minimum of university degree, may be quiet encouraging, but it is noteworthy that some of the qualifications are not related and relevant to core areas of SMEDAN.

In other words, these qualifications are not linked to monitoring and evaluation, or capacity building and policy implementation, which are the core areas of the agency

for growth and achieving its mandate. SMEDAN needs more employees within management and social sciences fields, such as public administration and business administration to complement the agency programmes in terms of capacity building, advisory services, business sensitization, and direction thus achieving the desire goals and objectives.

5.3 Accountability for Monitoring and Evaluation Efficiency

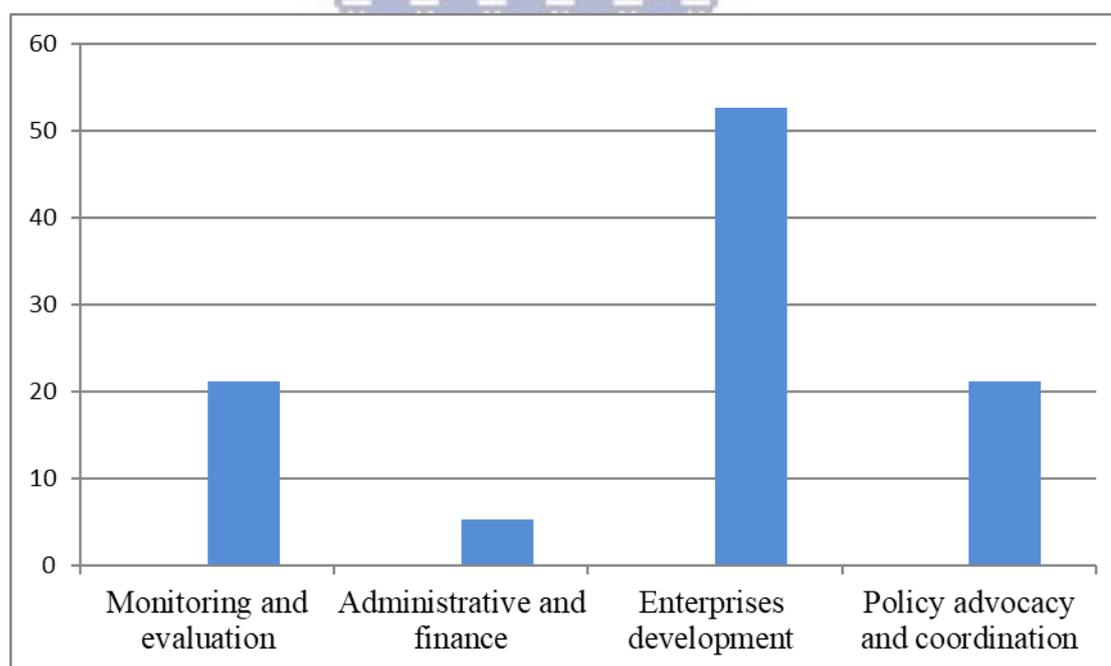
Monitoring and evaluation is key and critical to organisation success in terms of their output and impacts. In the globalized world experienced today, a majority of establishments be it private or public, Non-Governmental Organisations, civil societies to mention a few are responsive to stakeholders (internal and external) and clients' demand for effectiveness, efficiency, transparency and service delivery. To achieve these, taking full responsibilities to achieving results are fundamental hence, there is a need for an effective monitoring and evaluation system that is result-based embedded within the organisation. Accountability entails transparency, participation and inclusion. Hence, promoting accountability within institutions, organisations and agencies will aid the successful implementation of result based monitoring and evaluation through building institutional capability.

According to Kusek and Rist (2004:21), to design and build a reporting structure that produces timely, reliable and useful information that supports the performance of projects, policies and programmes initiated by government institutions requires knowledge, skills, accountability and genuine institutional ability. The management of SMEDAN must be accountable and take full responsibility. That is, leading by example through performance measures that will not only enhance capacity building rather sustain value for money and hence effective and efficient service delivery in order to accomplish the goals and objectives of the agency. In addition, it is fundamentally important for staff and other stakeholders both internal and external within M&E unit at SMEDAN to display some level of transparency, responsibility and accountability when carrying out their assigned task to ensure capacity building, institutionalisation and the sustainability of an effective result-based monitoring and evaluation system.

Monitoring and Evaluation Skills

In terms of monitoring and evaluation competency, the agency staff lack formal or in-depth knowledge of monitoring and evaluation skills. This was discovered based on first-hand information gathered from the staff of the agency during the researcher engagement and interview process with them at SMEDAN head office in Abuja. This poses a big challenge for the agency to successfully understand the concepts of monitoring and evaluation and how it works. Without prior knowledge and understanding of M&E, the agency and its staff will struggle to achieve its mandate. This can be achievable if the agency empowers their staff. The researcher advocates that competent and skilled staff with adequate knowledge of monitoring and evaluation skills and how it works within the context of SMEs will definitely inspire SMEDAN going forward, to accomplish its potentials in transforming and developing the informal sector of the Nigerian economy.

Figure: 5.5 Departments Responsible for SME Efficiency and Transformation within SMEDAN



SMEDAN's main task is the implementation of the Micro Small Medium Enterprises (MSME) policy. According to the MSME National Policy Report Published in 2013, the sole mandate of SMEDAN is to create a well-structured, efficient, and effective SMEs sector that will enhance sustainable economic transformation in Nigeria.

The researcher engaged with workers in four strategic departments within Small Medium Enterprises Development Agency of Nigeria. The purpose of engaging with the departments within the agency was to critically review the agency tasks and responsibility if they are in line with the institution's goals and objectives. In addition, if enhanced effective monitoring and evaluation system is put in place, as well as Micro Small Medium Enterprises Policy framework that guides the agency's mandate. The focus of the researcher centred on four strategic departments within the agency and engaged with staff within those departments. Figure 5.5 reveals the scope of work in each department in regards to its efficiency and transformation in line with the agency mandate. The departments sampled include monitoring and evaluation, administrative and finance, enterprises development as well as policy and advocacy department. The objective of SMEDAN's monitoring and evaluation (M&E) department is to monitor and track periodically programmes and projects initiated by the institutions at intervals, and if a gap is found, the M&E units will recommend a remedial procedure to ensure a significant impact of the programmes to the beneficiaries. Amongst the respondent interviewed at SMEDAN head office, only 21.1% agreed that M&E department at intervals monitors and track all the programmes and projects of the agency in line with the institution's mandate to develop and transform the informal sector of the economy as at when due.

The figure is relatively low. Institutions (public and private) can only achieve set goals, targets, mandates by not only building an effective and result based monitoring and evaluation system in their establishments rather engaged with all the relevant stakeholders within the system, supported by adequate resources and manpower to function effectively well. According to Ile, Eresia-Eke and Allen-Ile (2012:12), monitoring and evaluation enhances governance and it cuts across all spheres of government, which can be accomplished through participation, inclusion, transparency and accountability. Similarly, the Organisation of Economic Co-operation and Development (2002:27) explained that monitoring is seen as incessant task that is systematic for data collection on set indicators useful for management and other relevant stakeholders specifically for an ongoing projects or programmes determining the level of achievement and progress made so far as well as progress in the use of allotted resources.

The effective transformation of the SME sector in Nigeria today by SMEDAN suffers a setback because the institution mandates so far have not been significantly and optimally achieved. The researcher discovered that there was no functional and participatory M&E system embedded within SMEDAN, lack of technical know-how and work force required to effectively overseeing the agency monitoring and evaluation unit, insufficient resources as well as ineffective utilization of the available resources within the agency reach. All these are the attributes that stand as a threat to the agency. The administrative and finance department of the institution is referred to as the engine room of the institution due to its strategic role. However, the unit performance in the transformation and development of the SME sector recorded only 5.3% impact in transforming the sector. This is exceedingly terrible and hinders the agency to perform effectively and efficiently. The respondents within the administrative and finance department disclosed that the incessant delays in passing the agency budgets, inadequate source of funding (internal and external) in SMEDAN, and administrative bottlenecks are the major obstacles facing the department.

Financial Capacity

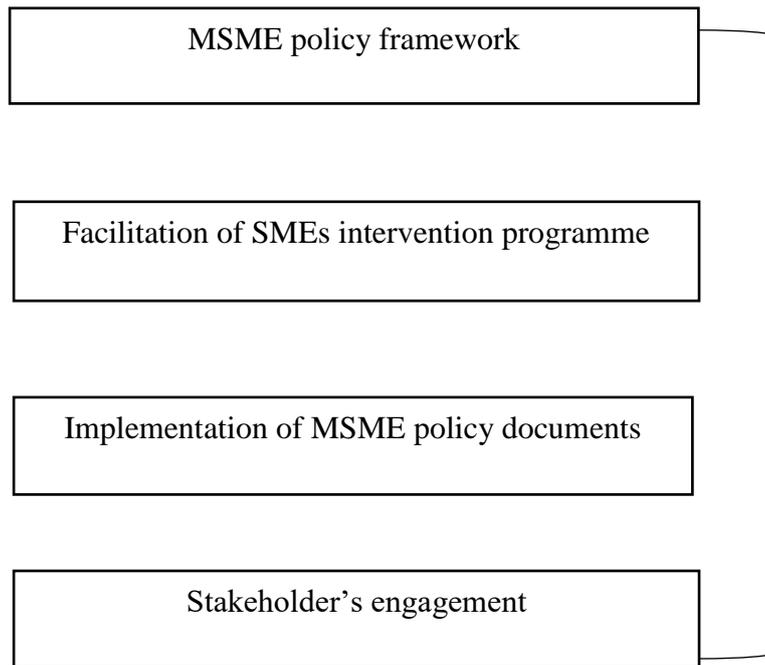
The success of any organisation depends on its financial capacity and position to fund programmes and projects efficiently. The Director-General/CEO of SMEDAN, Dr Umaru Dikko Radda, in an interview with the Nations Newspaper published in December, 2016 disclosed that inaccessibility of funds inhibits the agency's capacity to successfully empower and develop the SME sector to a higher level in Nigeria. The responsibility of the enterprise's development department is to establish business support centres that will promote SMEs development through mentoring, business planning, promotional services, capacity building, skills acquisition, as well as the establishment of industrial parks, to mention a few. Enterprises development department contributions to SMEs development and transformation indicated 52.6% according to Dr Umaru Dikko Radda. This figure is absolutely not encouraging. The department needs personnel with essential skills, knowledge, adequate resources and materials to function effectively well. It is a fact that employees in the department are not adequately equipped to disseminate knowledge and mentoring skills to SME proprietors and managers to run their businesses well. There is a huge gap that requires a critical attention and solution.

Lastly, SMEDAN policy advocacy and coordination unit's responsibility is to ensure that the institution strictly adhered to and implements the MSME policy in order to transform and develop the SME sector. The policy advocacy and coordination department revealed 52.6% as showed in Figure 5.5. The result is an indication that the agency hardly abide by the policy content, commitment, and stakeholders are not fully involved many times when they are carrying out their tasks and responsibilities on issues affecting the stakeholders. Thus, it has a negative impact in the transformation and development of SMEs sector. Much is expected from all the relevant stakeholders in ensuring commitment and participation in issues related to small medium enterprises in Nigeria. Stakeholder's engagement is key and fundamental to programmes, policy and success. It is very imperative for all stakeholders both internal and external to be involved in decision making as well as providing inputs to assist and support the success of the programmes. In fact, all the relevant stakeholders need to meet at intervals for decision-making purpose and for inputs as far as monitoring and evaluation is concerned. Similarly, stakeholders must coordinate all the necessary data for analysis purpose, hence measuring outcomes and determine the impacts of the programmes.

5.4 SMEDAN Framework for Transformation and Effectiveness

This segment concentrates on the framework embedded by the SMEDAN for effectiveness and the transformation of the SME sector in Nigeria. The section critically evaluates the frameworks put in place by the institution for the transformation of SME sector. The policy framework embedded by SMEDAN anticipated a MSME sector based on the policy contents to deliver and adequately support Nigerian economy through employment opportunities, creation of wealth, poverty eradication, and development. In addition, it is expected that the MSME sector will grow in size, scope, technology, skills acquisition, and effectively compete at locally, nationally and at the global level.

Figure 5.6: SMEDAN Frameworks for the Development of the SME Sector



Source: Author's configuration, facts gathered from MSME Policy documents 2017.

According to the 2007 annual SMEDAN report, the objective of the Micro, Small Medium Enterprises National Policy is the creation, nurturing, and promoting of necessary conditions for the SMEs growth and development. There are seven comprehensive policy areas, which include legal, institutional, and regulatory framework; human resources development; research and technology development; support and extension services; finance; marketing; and infrastructure. If well-articulated and supported by the government, these seven areas will significantly aid in developing and transforming the sector. However, for almost a decade now, SMEDAN has not been able to articulate and strengthen the institutional policy framework accordingly in their operations in delivering effective and efficient services for better and prosperous SMEs in Nigeria. Although there have been collaborations with other institutions such as the Bank of Industry, the Corporate Affairs Commission, National Enterprises Development Programme (NEDEP) and other financial institutions, the SME sector is still crawling and struggling to find its feet in terms of productivity and competitiveness of the nation's economy and growth.

The National Enterprises Development Programme (NEDEP) report (2015:15) stated that "the Brazilian Micro, Small Medium Enterprises Development Agency (SEBRAE), have trained and reach out to approximately 1.6 million SMEs annually, compared to Small Medium Enterprises Development Agency of Nigeria that trained and reach out

to only 200,000 SMEs annually.” There is a huge gap between the two agencies with same mandate, classified with similar economy. This statement implies that since the inception of the MSME policy framework in 2007 as developed by SMEDAN, the agency has successfully reached out to only 2 million SMEs in terms of capacity development compared to Nigeria population. According to the national census conducted by the National Population Commission in 2006, there are over 150 million Nigerians, and over 17 million of the population are MSME operators, according to the National Enterprises Development Programme report (2015:09). The Director General of SMEDAN, Dr Umaru Dikko Radda, in his interview granted by the Nation Newspapers, Nigeria dated December 16, 2016 with the caption “SMEDAN calls for the establishment of SME Bank”. Dr Radda categorically mentioned the major challenge confining the agency’s capability. He disclosed that the National Assembly Act that established SMEDAN in 2003 needs urgent amendment. The DG states that if the National Assembly speedily amends the Act, the agency would be more empowered, capable enough to develop and transform the SME sector to an advanced level in terms of efficiency and transformation.

The review of the MSME policy framework in 2012 led to the commencement of some intervention programmes by SMEDAN to support SMEs development and transformation vis-a-vis job opportunities, wealth creation and sustainable livelihood amongst youth and women. To bring services delivery close to the people, SMEDAN head office currently located in Abuja expanded its operations with the establishment of zonal offices located in the six geo-political zones in Nigeria to cover states under each zone jurisdiction, establishment of 15 Business Supports Centres (BSC), and 37 Business Information Centres across the federation. This development and facilitation of intervention programmes. This can be attributed to the sustainability drive embarked upon by President Goodluck Ebele Jonathan administration in 2015 with the “transformation agenda” initiative introduced during his administration. The Jonathan administration consequently have created a favourable environment for the transformation of the informal sector through various programmes such as You WIN Programme – which represents youth development, innovation and enterprises to support youth entrepreneurship development. Also, SURE-P (Subsidy Reinvestment, and Empowerment Programme) aimed at providing employment and empowering young Nigerians, National Enterprises Development Programme (NEDEP), public- private initiative on SMEs development to mention a few. The sustainability drive has brought

forth positive developments such as the restructuring of Bank of Industry which housed funds for SMEs development vis-à-vis Dangote fund (N5 billion) and the CBN's (N220 billion) micro small medium enterprises development funds to mention a few.

SMEDAN has a partnership with the Bank of Industry and they work hand in hand to ensure SMEs sustainability in Nigeria through their intervention programmes. The Federal Government of Nigeria determination to sustain the SME sector led to the review of MSME policy in 2014 for a better and effective coordination of the SME sector. Similarly, the Cooperate Affairs Commission responsible for registration of businesses name in Nigeria have been empowered technologically and have shifted from manual registration of business names to electronic format. The era of manual registration which took longer is now outdated hence the registration of business names now takes only 7 working days to process. All these are initiatives to promote the sustainability of the SME sector in Nigeria were implemented by the Goodluck Jonathan Administration. Therefore, SMEDAN partnership with other institutions is considered a step in the right direction by providing appropriate intervention programmes across the nation towards the transformation and development of the SME sector. Despite all these initiatives, much is still expected from SMEDAN to fully transform the sector in order to completely achieve its mandate. Aside this, the SMEDAN 2010 annual report revealed that the agency had successfully completed eight Entrepreneurship Development Projects (EDPs) in northern Nigeria in 2008, and by December 2010, they had covered and completed all the EDP programmes across the country. The Business Information and Business Support Centres located at the agency's head office have the following responsibilities:

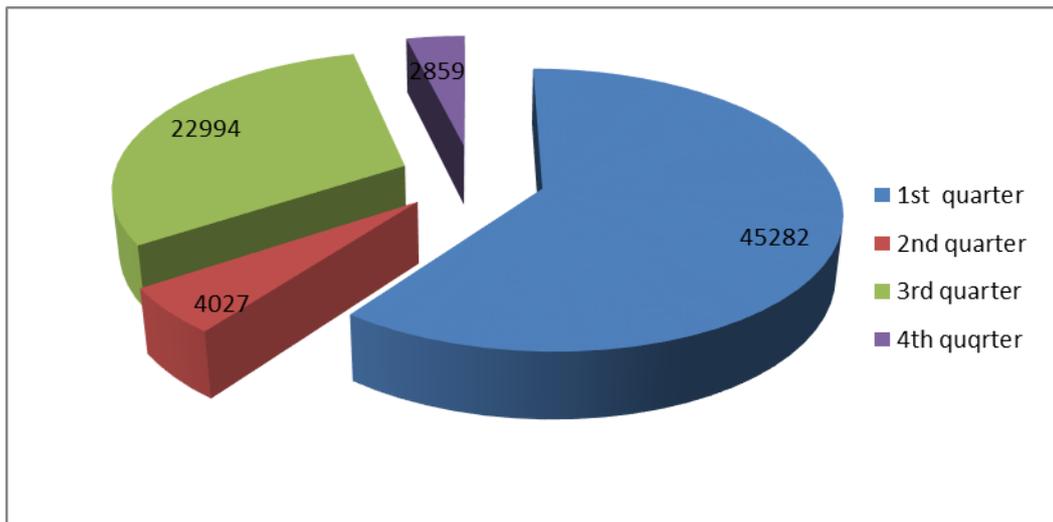
- Advisory and information services such as needs assessment and sensitization for attitudinal transformation and effective operational business choices and decisions
- Counselling, mentoring, and sensitization to SME operators across the nation
- Enterprises cooperation, linkages, and clustering
- Partnership and facilitation of resources for workspace and capital

Under the business development programmes, the agency has previously engaged with intervention programmes in transforming the sector. Amongst these programmes, include:

- Onesimus project: aimed at promoting entrepreneurial activities amongst numerous groups in Nigeria. Through the Onesimus programme, the agency had collaborated with institutions such as the Nigerian Prisons Services to train prison inmates on capacity building as well as students from Covenants University
- Corpers Entrepreneurship Development Programme (CEDP): aimed at training fresh graduates from tertiary institutions across Nigeria and so far, the agency has empowered 210 youth corps members within the Federal Capital, Abuja and the corpers have graduated from the programme
- The Office of the Senior Special Assistant to the President on Millennium Development Goal Strategies (MDGs): collaborated with the National Youths Serves Corps Scheme and SMEDAN through the entrepreneurship training on starting up a new business trained 20 prospective entrepreneurs from 36 states of the federation in 2015 and the programmed thus have successfully trained 700 entrepreneurs
- Rural Women Enterprises Development Programme (RUWEDEP): initiative through the facilitation of SMEs intervention programmes across the nation. The aim of RUWEDEP is to empower rural women with skills development and entrepreneurship orientations. Since the inception of the programme in 2010, the agency has successfully trained various women groups in 12 states across the nation. At the moment, SMEDAN has partnership with other ministries, departments and agencies, that is Nigeria Export Promotion Council (NEPC), Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB), Standard Organisation of Nigeria (SON)

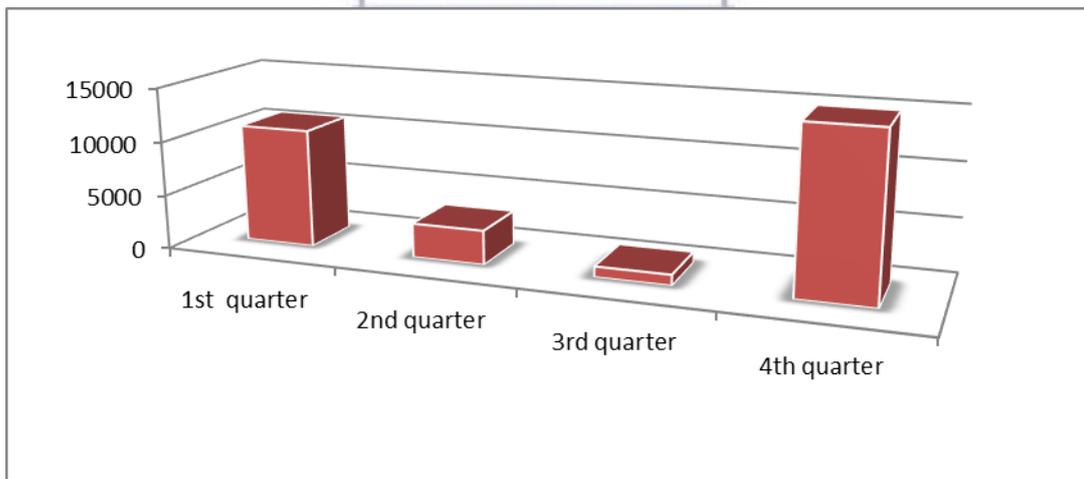
Hence, government agencies, departments and other ministries implementing the MSMEs programmes are expected to anchor their plans and approaches on the framework of values, strategies, and standards confined in the MSMEs policy. This is essential to avoid discrepancies in MSMEs transformation and development initiatives as well as maximizing institutional interactions and effective coordination of inter-agency in line with the whole vision of MSMEs national policy.

Figure 5.7: Summary of SMEDAN Entrepreneurship Training Programmes in 2012



Source: 2012 SMEDAN Annual Report

Figure 5.8: Summary of SMEDAN Entrepreneurship Training Programmes in 2010



Source: 2010 SMEDAN Annual Report.

So far, the SMEDAN, through the entrepreneurship skills, training, and business sensitization programmes, has trained 105,155 within its capital budget from 2007 to 2016 as indicated in Figure 5.7 and Table 5.2, respectively. The beneficiaries of the programmes include both start-up and small business proprietors comprising youth and women across the nation. From the analysis and discussions above, the researcher envisaged that the agency needs more support and adequate resources vis-à-vis human, capital and material from the government and other specialized institutions in order to

effectively fulfil the mandate of the agency in terms of promoting entrepreneurship development in the country. The implementation of MSME policy document by SMEDAN under the MSME arrangement according to SMEDAN 2012 is not encouraging as much have not been done in this regards. Effective implementation of the policy document is a huge task and it affects SMEs growth. The agency finds it difficult accomplishing the mandate as well as the goals and objectives. The complete implementation of the MSME policy content is significant to the development of the informal sector in Nigeria.

The first National Policy on MSME was developed by the SMEDAN on the 9th of May 2007 and duly endorsed by the Federal Executive Council (FEC) under the leadership of President Olusegun Obasanjo, the former President of Nigeria. The complete implementation of the policy by SMEDAN has suffered many setbacks and constraints since its inception. According to Agosto and Company (a research credit rating, credit risk- management Firm) report published for Fate Foundation (2015:17), the challenges encountered in the implementation of the policy include the following:

- The stakeholder buy-in (private and public sector institutions) are exceptionally weak
- Inefficient funding of MSMEs
- Poor capacity building and skills acquisition amongst the MSMEs
- The institutional synergy is enormously weak
- Micro and Small Medium Enterprises development at national, state and local government levels are extremely weak and lack strong commitment

The challenges affecting the implementation of the MSMEs policy by the SMEDAN led to a complete review of the policy in 2012 and the Goodluck Ebele Jonathan administration unveiled a new National Policy on MSMEs in May of 2015. The newly revised MSMEs policy is centred on cooperation and a mutual partnership amongst various private and public institutions, community groups, as well as various levels of government. The new policy also centred on global best practices vis-à-vis decentralizing the institutional policy framework that leverages the synergy amongst public and private sector for the transformation and effectiveness of the SME sector. In addition, the policy identified the use of information communication technology to

improve government effectiveness and efficient service delivery to the SME sector in Nigeria.

To enhance the full implementation of the MSME policy, Augusto and Company (2015:18) published a report which highlighted that intervention funds set aside for the transformation of the SME sector need a monitoring and evaluation model that will not only support in determining the socio-economic impact of the intervention fund but relatively assist in the disbursement of the fund to the appropriate quarters, the impacts on the SME sector, and the economy at large. The new policy also outlined that bureaucracy within government institutions coupled with high levels of corruption amongst public servants and political officers are the obstacles affecting the implementation of the policy. Corruption and administrative bottlenecks must be curbed with anti-corruption devices and implemented at all levels of government ministries, departments, and agencies in the country.

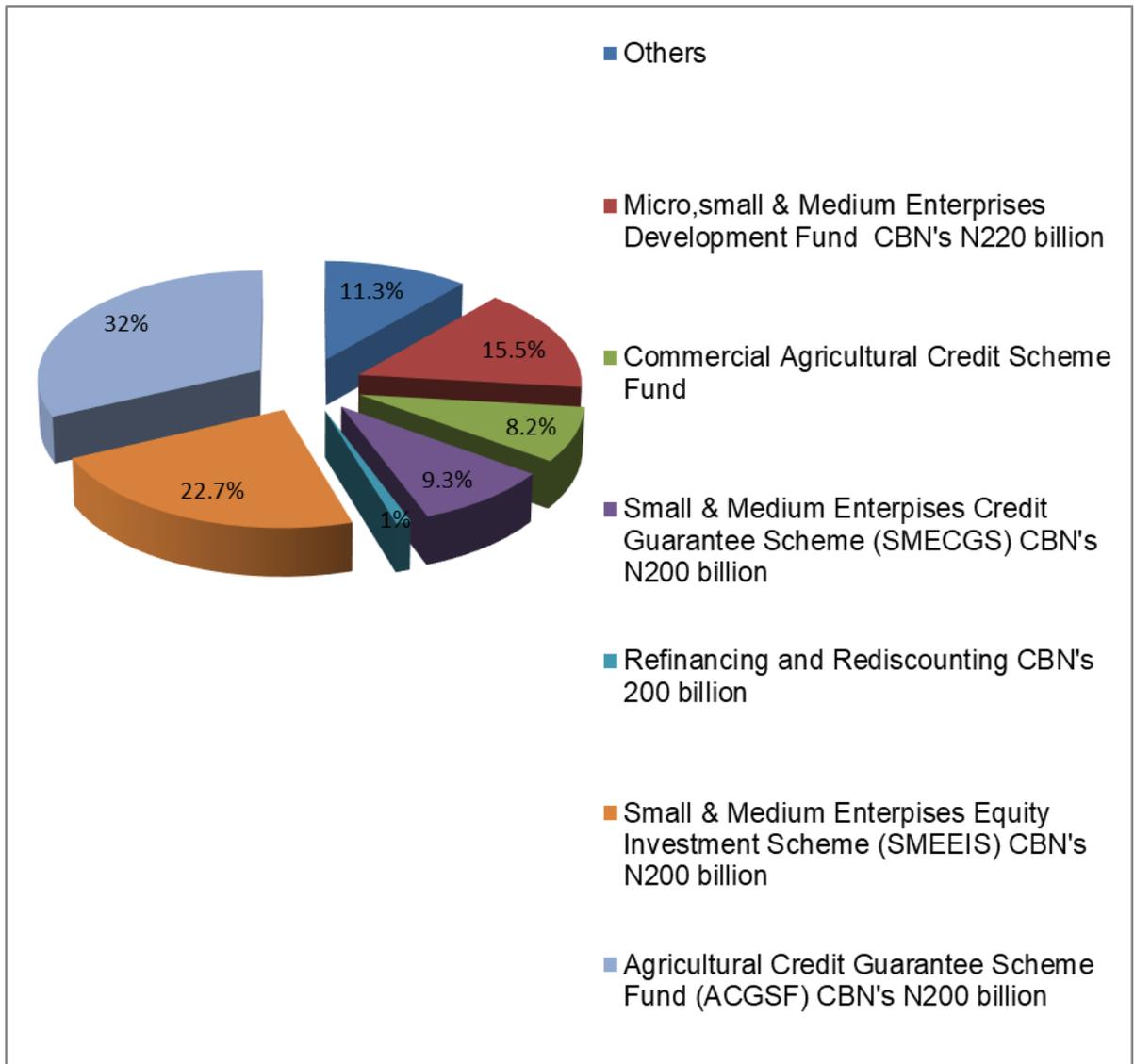
The powers and functions of government departments and ministries should be decentralised with top, middle, and lower workers taking full responsibilities of their actions in workplaces. The Director-General of the Small Medium Enterprises Development Agency of Nigeria, Dr Dikko Radda Umaru in December 2016, advocated that government should create an enabling business environment for small businesses to flourish. He called for the provision of tax incentives, ensures that departments, ministries, agencies as well as other relevant stakeholders in the SME sector complement each other with synergies and evades unnecessary competition. The DG requests an establishment of the SME Bank in Nigeria with the main priority of funding SMEs with single digit interest rates. This will enhance the transformation and development of small businesses in Nigeria.

The engagement of SMEDAN with key stakeholders encompasses the discussion of this segment. Since the inception of the agency in 2003, ministries, government institutions, organisations, specialised agencies, NGOs, cooperative societies, and other agencies have collaborated with SMEDAN in ensuring the development and transformation of the small medium enterprises sector. There was a need for accelerated cooperation that will involve participations of all relevant stakeholders especially SME managers, civil societies, NGOs on issues related to the development and transformation of MSMEs in Nigeria. The MSME policy of 2007 endorsed by the Obasanjo administration for an effective and efficient transformation of the SME sector was not coordinated well

enough, as stakeholders (SME owners and managers) were not fully involved in the initiation of the policy. With the identification of gaps in the policy framework and implementation level, the MSME survey report in collaboration with the National Bureau of Statistics 2010, revealed that about 17,284.671 micro and small medium enterprises exists and operating in Nigeria. They are affiliated with cooperative societies as well as other organisations; yet, none of them or their representatives were actively involved and engaged with in the drafting of the first MSME policy.

The Jonathan Goodluck administration reviewed the MSME policy and acknowledged that the implementation of the MSME policy has been a bottleneck and interference in transforming the SME sector in Nigeria. The MSME policy was reviewed in 2012 and revised to focus on cooperation and mutual partnerships amongst various private and public institutions, community groups, and various levels of government. The key stakeholders were not fully represented in reviewing the policy due to mal administration, financial constraints, and incompetency amongst staff of the Ministry of Trade and Industry as well as the Small Medium Enterprises Development Agency. SME managers and their affiliate organisations affirmed that they were not carried along during the policy review process. Hence, most of the key issues affecting the growth of the sector were not addressed in the new policy when it was created in 2012. Policy initiation and implementation at SMEDAN are major challenges. The relevant key stakeholders are not carried along both at initiation and implementation levels over the years. SMEDAN have engaged with Federal, States government and other relevant institutions in transforming the informal sector with numerous intervention programmes yet, these intervention programmes were not successful and have little or no significant impact in the development and transformation of the sector. According to Augusto and Company (2015:52), the Federal Government of Nigeria sets aside N1trillion in partnership with agencies, institutions, and ministries in forms of credit guarantee schemes, development funds, and refinancing. However, the funds are available theoretically; the conditions for accessing the funds are terrible for SME managers and proprietors to meet. Hence, the informal sector remains under developed and the mandate of SMEDAN difficult to objectified.

Figure 5.9: Intervention Funds with other Stakeholders in the Transformation of MSME sector



Source: Agosto & Co. MSME Survey 2015.

The fund earmarked by the government through the Central Bank of Nigeria in the past years to transform the SME sector was estimated at 1 trillion. The small business vendors were not properly carried along, nor engaged by the government and other departments to know the constraints they face in running their businesses. All the loan facilities granted by the government to support SMEs development and transformation are under-utilised, and so far, facilities granted in each line are below 50% as indicated in Figure 5.8. The benchmark for loan disbursement through the intervention funds by financial institutions, Bank of Industry and other relevant agencies are quite high and the documentation required for loans are cumbersome to get. It is a fact that SME owners/operators were excluded when policies and programmes affecting them were

discussed and as such they were seriously affected. The intervention programmes are baseless when it cannot serve its purpose efficiently. According to Augusto and Company Report (2015), the intervention funds running to billions of naira failed to motivate the projected development of the SME sector, as fund earmarked for the sector were not optimally utilized. Hence, the sustainability of the SME sector cannot be effectively achieved with this idea. The researcher argued that the consequence of under-utilisation of the facilities was a result of the relevant stakeholders who were not actively involved and carried along when making decisions concerning the development of the sector. All stakeholders must be included and participate when making decisions and there is need to effectively monitor the programmes of the institutions tasked with the responsibilities of disbursing funds for qualified SMEs operators. The entire 19 members of staff representing 100% of the population sampled and interviewed by the researcher acclaimed that SMEDAN partners with other institutions, government ministries, specialised organisations and departments in ensuring that the agency mandates and goals in transforming the informal sector to a better and more efficient sector that will generate more employment and significantly contribute to the development of the nation's economy. It is observed from the submission of the respondents that SMEDAN does not function alone rather it has synergy and partnership with other institutions within and outside Nigeria.

Figure 5.10: Institutions SMEDAN partners with, to transform the MSME sector in Nigeria

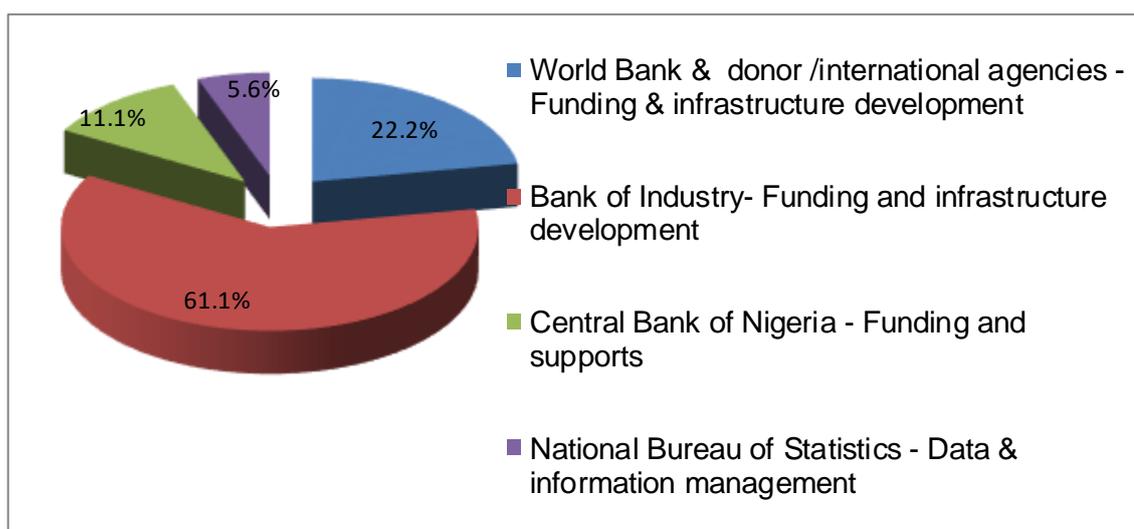


Figure 5.10 displays the various institutions SMEDAN partners with in carrying out its day-to-day duties and responsibilities to ensure the transformation of the small medium enterprises sector. From Figure 5.9, respondents indicated the level of partnership SMEDAN has with other institutions in terms of supporting the agency's mandate. The Bank of Industry (BOI), according to the respondents' commendation has 61.1% collaboration with SMEDAN, followed by the World Bank /donor agencies with 22.2%, and the Central Bank of Nigeria indicated 11.1%. Lastly, the National Bureau of Statistics (NBS) engagement with the Small Medium Enterprises Development Agency of Nigeria indicated 5.6%. From the analysis in Figure 5.10 revealed above, 22.2% of the respondents indicated that the agency collaborates with an international organisation. The international partners include: the World Bank, the United Nations Industrial Development Organization (UNIDO), the United National Development Programme (UNDP), the United States Agency for International Development (USAID), European Union (EU), Canadian International Development Agency (CIDA), Economic Community of West African States (ECOWAS), Pan African Competitiveness Forum (PACF), New Partnership for African Development (NEPAD), Japan International Corporation Agency (JICA) and International Food for Agricultural Development (IFAD) to mention a view.

(1) World Bank, donor and other international agencies role with SMEDAN

These global developments partners' initiatives support the SME sector in Nigeria through the facilitation and access to international best practices in programmes and policy targeting SMEs. The international organisation partners with the government locally both at states and at federal to provide support which include funding, capacity building for SMEs financing, technology transfer, process and product development, business organisation development and networking. The Government of Nigeria ensures that the coordination and monitoring of programmes rendered by these donor agencies to adequately ensure that they are synchronized and in line with the goals and objectives of the MSMEs National Policy. According to SMEDAN 2010 Annual Report, the Japanese Government through the Japanese International Cooperation Agency (JICA) in collaboration with the Federal Ministry of Commerce and Industry launched in 2013 the "One local government one product (OLOP)". The main objective of OLOP is to develop businesses locally through the identification of neither a product nor service.

According to the Daily Trust Newspaper, tagged "SMEDAN and the Task of One Local Government, One Product" published in 17th October 2013, the idea seeks to develop a

product and services that will be modest and in marketable quantities in each local government in Nigeria with the primary aim of attracting both the local and global market through the provision of guidance in managing enterprises, accessibility to funding, monitoring and evaluation as well as technical support. Since its inception in 2013, the OLOP initiative has successfully trained 12,100 trades /businesses associations across 20 states and has provided 37,000 direct and indirect employments to Nigerian citizens. Additionally, the Pan African Competitiveness Forum (PACF) was launched in Ethiopia on the 16th of April 2008 with the objective of promoting innovation, effectiveness and value addition by making nations within the region significant in current world economy. PACF collaborated with SMEDAN and Nigerian chapter was launched in May 2009 and to date, SMEDAN and PACF have engaged in the development and transformation of the SME sector in line with the MSMEs policy initiative. Other international organisations have partnered with SMEDAN to articulate the agency's mandate but counterpart funds and other criteria's set were not met by the agency and government bottleneck and inefficiency have knocked off some of these organisations to support the SMEDAN agenda.

(2) The Bank of Industry

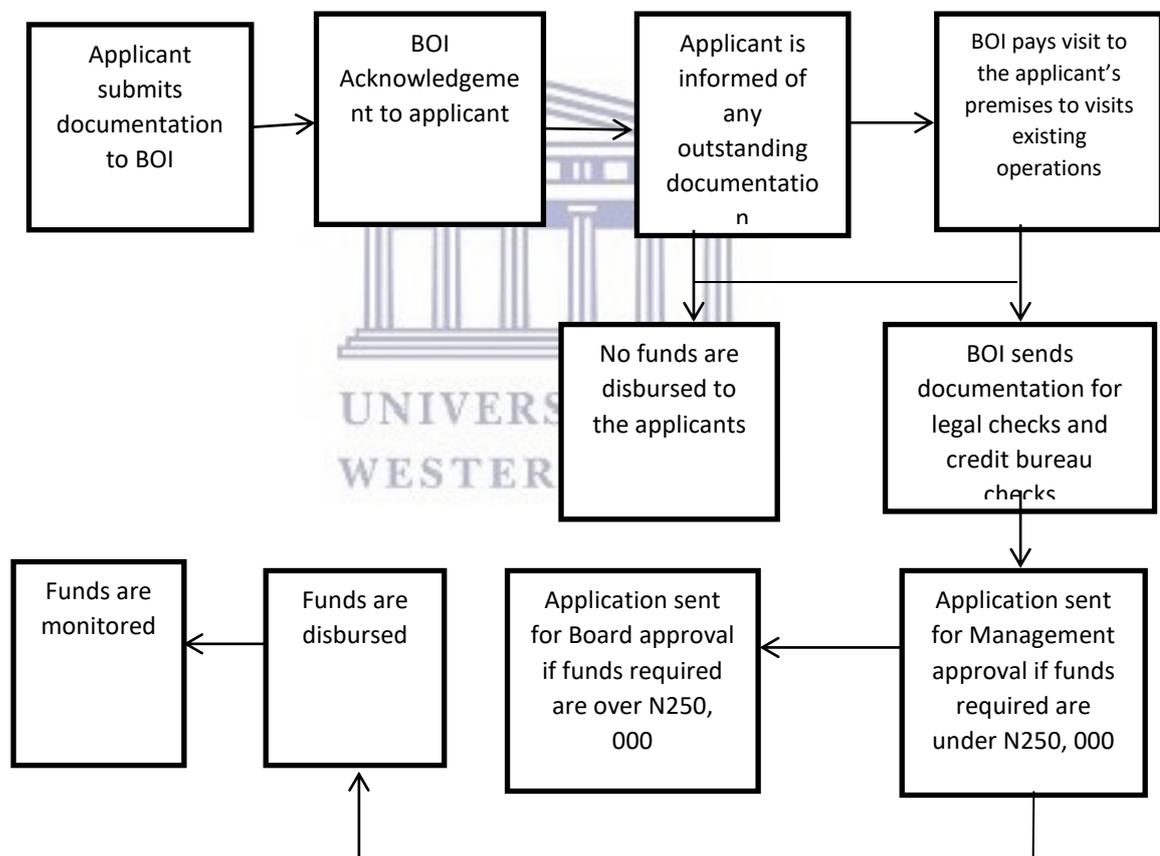
The BOI collaborates with SMEDAN in transforming the development of SMEs in Nigeria. The Bank of Industry as an institution is fully owned by the Federal Government of Nigeria (FGN), established in 2001 with the sole mandate of providing financial support to large, small and medium projects. The Bank tasks include the development, expansion and transformation of current enterprises and reintegration of ailing businesses. The Bank of Industry before the year 2006 helped large enterprises with 70% funding assistance while the remaining 30% covers small, micro and medium enterprises. The bank is adequately financed by the government through budgetary apportionments The bank offices are positioned at the 6 geo-political zones of the nation, with the view of bringing the bank closer to people and a head office in Abuja The bank has so far assisted in the transformation of the SMEs industry although much is still expected in order to resuscitate the informal sector. The Federal Government initiative for a vibrant SME sector apportioned funds under numerous programmes to the Bank of Industry to support the micro, small and medium enterprises sector. In relation to this initiative by the FGN, the Bank of Industry (BOI) collaborated through a bilateral and shared understanding with SMEDAN for technical support, capacity building and funding. Some of the funds domiciled at BOI for SMEs transformation include:

- Bank of Industry and the State Funds: This fund is set aside for SMEs promotion and development at state level in order to generate many job opportunities. The BOI contributing 50% while the participating state also contributes 50%. The tenor of the fund is between 6 months and maximum of 3 years with an interest rate of 5% to 10%. The limit of the fund is 50 million naira. The criteria to access this fund is cumbersome and the requirement for applying for some SMEs operators and managers hence cannot meet the fund there is huge problem in getting the fund. Numerous applicants that applied for the fund have been declined as they cannot meet the requirement except very few and lucky businesses owners.
- Dangote Fund: Dangote foundation in 2014 set aside N5billion naira as a corporate social responsibility initiative of his business to support small business development in Nigeria. The drive is to create more job opportunities and development of SMEs sector. Dangote contributes 50% of the fund while BOI also contributes 50%. The interest rate is 5% with tenure of 3 years. The requirement is in accordance with BOI standards.
- MSME Special Intervention Fund by the Federal Government of Nigeria: The Federal Government through the establishment of the National Enterprises Development Programme in 2014 under Jonathan Goodluck administration set aside N5billion naira, which is 100%, funded by Federal Government. The purpose of the fund is to rescue the informal sector of the economy, to be more vibrant and active in order to meet the MSME policy and mandate of SMEDAN. The fund is domiciled with Bank of Industry with 9% interest rate per annum. The process flow of accessing this fund is so tedious and time consuming. Clients (SME proprietors) complained bitterly that the criteria set by BOI to borrow the funds are difficult to meet.

The procedures of obtaining loans from the bank are tedious and require complex documentation, which micro, small and medium enterprises managers and operators cannot present to the bank. Most of the applications made so far by SME owners according to Augusto and Company (2015:84) state that entrepreneurs who applied for loans (Dangote funds and MSME intervention funds) were not successful and their applications were declined due to complicated documents and other paperwork involved.

BOI often monitors only loan beneficiaries that are defaults rather than monitoring the business activities of SME operators to determine their performance and growth. Similarly, the bank roles in monitoring and evaluating activities of the SME operators are restricted as they see it as SMEDAN roles and responsibilities, the bank is a profit oriented institution and return on investment is actually their main goal and focus. BOI, other key stakeholders and SMEDAN alongside with the beneficiaries should be actively involved in participatory monitoring and evaluation (PM&E) to determine the relative issues that affects the key actors (SME operators) so that collective deliberations on issues affecting SMEs development and transformation are mutually discussed.

Figure 5.11: Bank of Industry Funds Approval Procedures



Source: Bank of Industry 2014

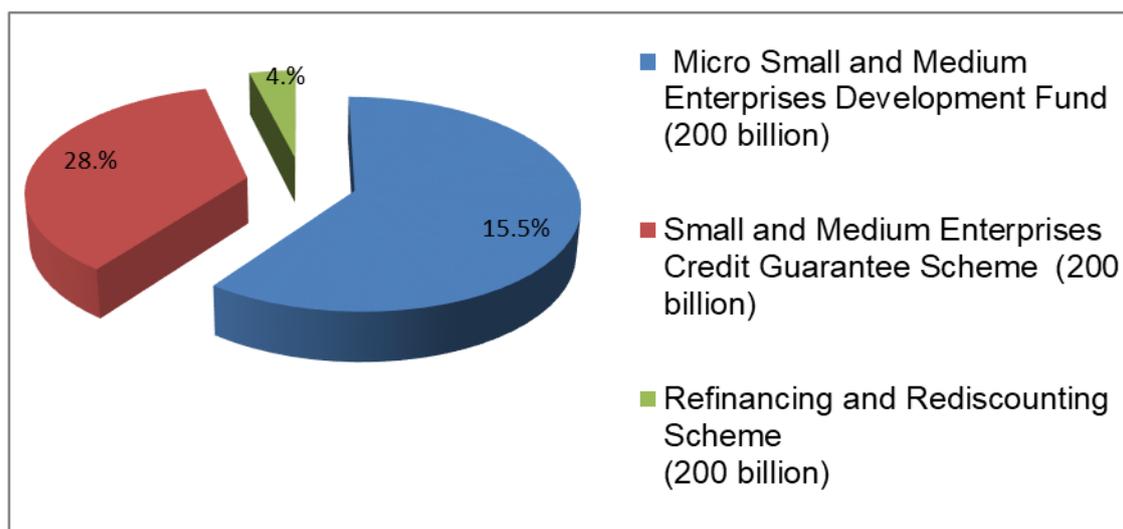
Since the inception of Dangote Funds, only 18% of the funds have been disbursed so far according to a report provided by the Bank of Industry in 2016 December. The researcher opines that the Bank of Industry should reduce loans application requirements criteria's for SME owners so that they can have access to the funds easily with proper monitoring

mechanism put in place to ensure that loans beneficiaries utilise the funds effectively and efficiently. In addition, the Ministry of Trade and Industry should act as an intermediary between the bank and the SME owners to ensure that loans are fully disbursed and effective monitoring mechanism is put in place to monitor how beneficiaries utilised their funds for its purpose. SMEDAN has called for the establishment of the SME Bank in Nigeria according to the Director General, the establishment of the bank will relief SME operators the stress they pass through in order to obtain loan form the Bank of Industry.

(3) The Central Bank of Nigeria

There is a mutual relationship between CBN and SMEDAN in terms of SMEs sustainability and growth. CBN share similar objectives with the agency as well as the MSME policy initiative for the development of small business enterprises in Nigeria. The Central Bank of Nigeria is the nation's apex bank and the bank liaises and collaborates with commercial banks and other specialised agencies to support SMEs development through the pooling of funds and resources for the transformation of the sector. In recent times, one of the requirement for sustaining and developing an economy, according to the Central Bank of Nigeria 2012 economic bulletin is through development financing which is part of the Central Bank of Nigeria focus and as such, the apex bank initiatives adopts holistic approach to promote growth and development of the nation's economy. The bank's initiative and policy towards the transformation of the nation economy through the informal sector haven realised the potentials in the SME sector at the 246th Committee of Bankers Meeting held on December 21st, 1999, approved and established a voluntary arrangement named the Small and Medium Enterprises Equity Investment Scheme (SMEEEIS). This was a directive from the Federal Government in line with government policy drive to promote, develop and transform the MSME sector for effective and efficient job opportunities, speedy industrialisation, alleviation of poverty and sustainable economic transformation.

Figure 5.12: CBN Funds for MSME Transformation and Funds Utilised thus Far



Source: MSME Survey 2015.

A mandatory 10% profit after tax (PAT) is required by all commercial banks in Nigeria and the fund is set aside as an equity investment with single digit interest rate without any hidden charges. The equity fund is reserved for lending to small medium enterprises operators in Nigeria. In the past, SMEDAN has collaborated with the Central Bank of Nigeria since the inception of the fund in ensuring that SME operators meet up all the necessary requirements in order to apply and access SMEEEIS funds. The Central Bank of Nigeria according to the Micro, Small and Medium Enterprises (MSME) survey report in collaboration with the National Bureau of Statistics (2014), the CBN set aside the following funds met for the transformation and development of SMEs in Nigeria. The funds as shown in Figure 5.11 are Central Bank of Nigeria 220 billion naira Micro, Small and Medium Enterprises Development Fund (MSMEDF), Central Bank of Nigeria 200 billion naira Small and Medium Enterprises Credit Guarantee Scheme (SMECGS) as well as Central Bank of Nigeria N200 billion Refinancing and Rediscounting Scheme (RRF).

From Figure 5.11 analysis, it was clearly shown the percentage of fund disbursed so far from these intervention funds. As reported by Micro Small Medium Enterprises (MSME) Report 2015, buttressed by the researcher from his field interview with respondents, an approximation of 15% so far of the micro small and medium enterprises development fund (200 billion naira) has been utilized for SMEs development and transformation while 85% of the fund is under-utilized; the refinancing and rediscounting scheme fund (200 billion naira) so far has been utilized with only 4%. This is very insignificant and

has impact on the sector in terms of funding because 96% of the fund has not been actually consumed for its purpose. The small medium credit guarantee scheme (200 billion naira) domiciled with CBN has 28% utilised while 72% of the deposit is still unused. These funds are under-utilised due to various inhibiting factors hindering SME operators to access the funds.

(4) National Bureau of Statistics (NBS)

The bureau collaborates with SMEDAN to transform and effectively develop the informal sector of the economy. There exists a strong link and interference between the two agencies and they oftentimes work together. The National Bureau of Statistics is a federal government institution with the sole mandate to produce on a constant and sustainable basis, socio and economic statistics on all parts of development in Nigeria. On request, SMEDAN partners with NBS for data related to small and micro medium enterprises. Since the inception of SMEDAN, the National Bureau of Statistics has formed synergy with the agency for collation of relevant data for SMEDAN operations. Often times, SMEDAN on their own provides and collate data for their own consumption instead of relying completely with the NBS. The Small Medium Enterprises Development Agency of Nigeria report on Micro and Small Medium Enterprise Survey for 2010 and 2014 financial year were jointly published by the two agencies. Therefore, NBS is relevant to SMEDAN operations in terms of getting accurate data and figures to ascertain the position of the SME sector in terms of development and transformation.

Figure 5.13: Effective Implementation of MSME National Policy Framework by SMEDAN in developing SMEs Sector in Ondo State, Nigeria

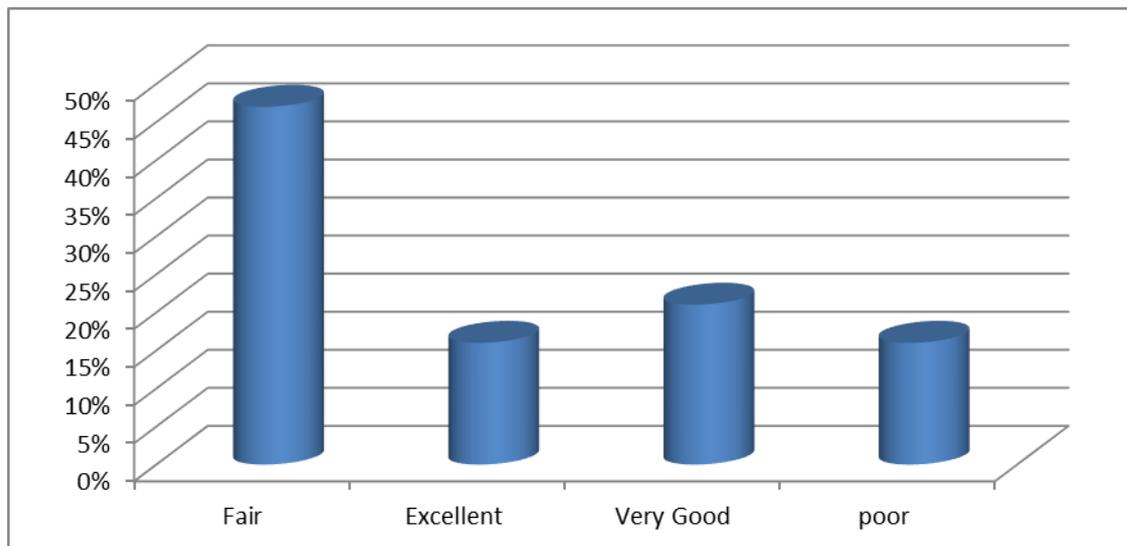


Figure 5.12 revealed how effective is the implementation of the national policy on micro, small and medium enterprises by SMEDAN in transforming the SME sector in Nigeria. It is shown in Figure 5.12 that 47% of the respondents feel that the agency fairly implements the MSME National Policy due to institutional synergy within the agency that is extremely weak, inadequate funding for MSMEs process development as well as weak capacity amongst the micro, small and medium enterprises sector. These are inhibiting factors critically challenging policy implementation and have significant impacts in the development of the informal sector efficiently. In addition to these, 16% of the respondent agreed that the policy was poorly implemented by SMEDAN because of the feeble stakeholders' (private and public institutions) buy-in. SMEDAN struggles to implement the micro small and medium enterprises policy effectively due to non-involvement and full support of key relevant stakeholders. Thus, implementation becomes a huge challenge because of some of the following factors: information technology challenges, incompetent skills amongst the agency personnel, non-cooperation from other relevant institutions, dilapidated infrastructures, and harsh business environment.

The Small Medium Enterprises Development Agency of Nigeria failed to fulfil their mandate in the transformation of the sector. Twenty-one percent of the respondent categorised SMEDAN to be very good in terms of implementing the MSME National policy towards the transformation and development of the informal sector. In their own opinion, the agency has in the past successfully supported the informal sector of the economy vis-a-vis capacity building, skills acquisition, youth empowerment programmes,

and partnership with other specialised agencies for further support. Lastly, respondents who feel that the agency excellently performed well by implementing the policy were 16%. This is attributed to the SMEDAN annual report published in 2014 as highlighted in NEDEP Report (2015:16) that SMEDAN has zonal offices in the six geo-political zones in Nigeria and successfully established business support and information centres across the federation. This is in line with the agency's mandate to get closer to entrepreneurs across the nation by providing the necessary support to facilitate the growth and transformation of the sector. From the analysis above, the researcher contends that there should be a synergy, partnership, and cooperation amongst relevant stakeholders and other government institutions for effective implementation of MSME policy.

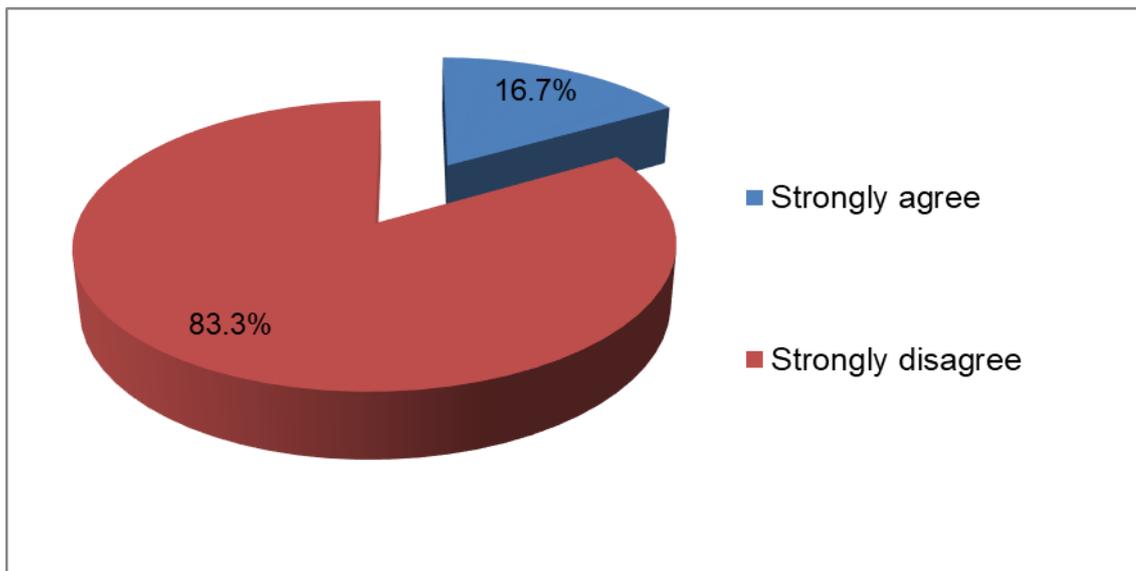
According to Augusto and Company (2015:18), the alliance will adequately support SMEDAN capacities thus enhance the effective implementation of their policies and action plan in line with the agency mandate. SMEDAN is the coordinating institution empowered by law to coordinate and implement the MSME Policy in Nigeria. Hence, there is need to expedite actions on the MSME policy putting into consideration global best practices involving the regularisation of the institutional framework that influences the co-operation between the public and private sector in developing the micro, small and medium enterprises sector. In its commitment and effort to stimulate, monitor and coordinate the development of the MSME policy effectively and efficiently in order to sustain and critically develop the potentials within the informal sector, the Federal Government of Nigeria through the Vice President of the Federal Republic of Nigeria, Professor Yemi Osibanjo, on the 25th April 2017, inaugurated a 22 member Micro, Small and Medium Enterprises Council Members to be known as "National Council on MSMEs" chaired by the Vice President. The members include the following:

- The Honourable Minister of Industry, Trade and Investment
- The Honourable Minister of State for Industry, Trade and Investment
- The Honourable Minister of Finance
- The Honourable Minister of Mines and Steel Development
- The Honourable Minister of Youth Development
- The Honourable Minister of Communications
- The Honourable Minister of Budget and National Planning
- The Honourable Minister of Water Resources
- The Honourable of Water Resources

- The Honourable Minister of Agriculture
- The Honourable Minister of Women Affairs
- The Minister of Budget and National Planning
- The Honourable Minister of State for Budget and National Planning
- The Central Bank of Nigeria Governor
- The Vice President of Nigeria
- The Chairman of Governors Forum
- Economic Adviser to Mr President
- Special Adviser to the Vice President on Micro Small Medium Enterprises
- President of Manufacturers Association of Nigeria (MAN)
- President of NASME
- The Director General of Small Medium Enterprises Development Agency of Nigeria (SMEDAN)
- The Managing Director of Bank of Industry

The members of the council cut across strategic ministries, department, institutions and relevant stakeholders within the sector with the sole aim of brainstorming, pooling resources together and harnessing all avenues required for total transformation of the SME sector. The council will meet every three months to deliberate going forward strategies for ensuring a sustainable and well-transformed SME sector in Nigeria. It is also expected that the council will support, present strategies and assistance on the MSMEs Policy Framework to prevent inconsistencies in the micro, small medium enterprises initiatives. The council is also expected to complement and make best use of institutional, inter-agency and other key stakeholder's coordination in realizing the vision and goal of MSMEs National Policy.

Figure 5.14: Monitoring and Evaluation system embedded in SMEDAN for improved SME Sector



The Small Medium Enterprises Development Agency of Nigeria has as one of its momentous mandates as pronounced in chapter two of this research, to coordinate, stimulate and monitor the development of the micro, small and medium enterprises sector in Nigeria. To realize this objective, the agency established a section known as the monitoring and evaluation department to coordinate and monitor the agency's programmes and projects in accordance to its mandates. This is to guarantee the development and transformation of the SME sector in Nigeria. Information supplied by respondents from Figure 5.13 revealed that 83.7% of SMEDAN staff strongly disagree that the monitoring and evaluation system imbedded by SMEDAN for an improved small and medium enterprises development sector in Nigeria is ineffective and inefficient.

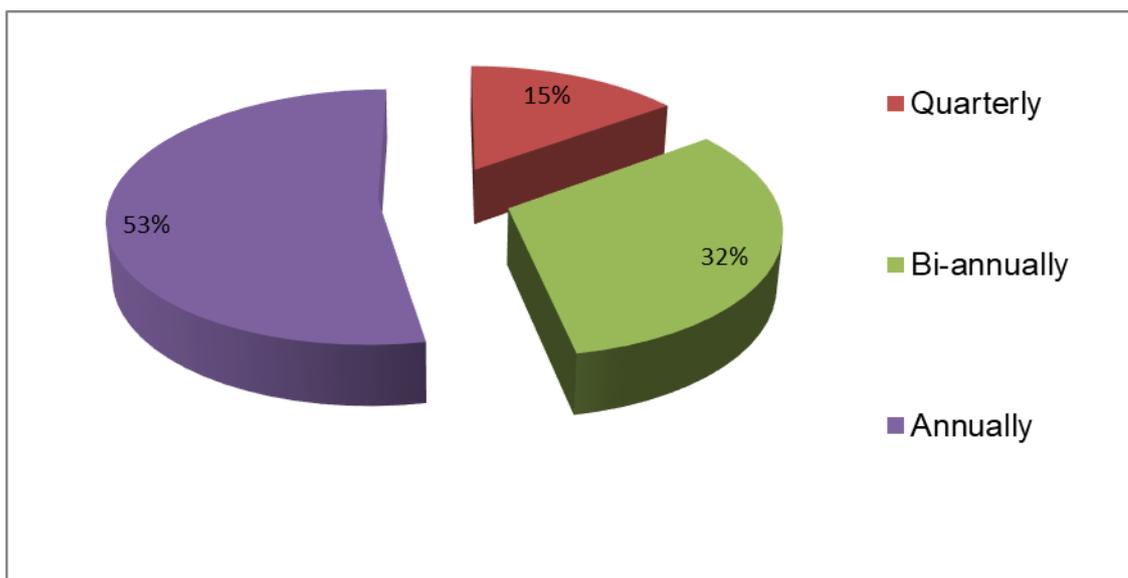
Monitoring and evaluation of projects and programmes funded (either through private or public institutions collaborations) calls for additional improvement for a significant impact in the society at the long run. From the respondents' point of view, SMEDAN monitoring and evaluation strategic tools vis- a- vis monitoring and evaluation frameworks, tools, and performance indicators for SMEs programmes development (delegation of task and responsibilities, task obligations, strategies, key co-operation with relevant stakeholders, human and financial resources, data collection and analysis as well as other facilities) for smooth, effective, and efficient transformation and development of the informal sector are problematic. Hence, the goals and

objectives of the SMEDAN monitoring and evaluation department since inception have not been productively achieved. This is because the agency's programmes and projects impacts cannot be measured about resources utilised in the sector. According to (OECD 2009), the functionality of an effective, value-added monitoring and evaluation system is determined by the relevant components of the key policy measured. That is, the key indicators that determined results for monitoring and evaluation assessment have to be established. The World Bank (2004) affirmed that incorporating monitoring and evaluation findings into the policy-making phase and using feedback to formulate and adjust policies for designing purposes helps add value to monitoring and evaluation systems to get desired results.

Figure 5.13 reveals that 16.7% of the respondents strongly agree that the agency monitoring and evaluation system is significant to the transformation of the SME sector. There is a huge proportion between 16.7% and 83.3%. The M&E system embedded by SMEDAN is ineffective and not goal-oriented to achieve the desired results in the transformation of the SME sector. The researcher identified some fundamental problems inhibiting results based monitoring and evaluation structure within SMEDAN. They include:

- A modern approach of doing things as opposed to a process of improvement continuously
- Concentrating on activities without measuring the impacts as well as results of the activities
- Inadequate quantity, insufficient collection and analysis of data for improvement purposes, reporting, evaluating, and monitoring for the purpose of compliance instead of improvement purposes
- Planning and designing programmes are extremely poor
- Setting indicators, targets, models and logic within the system are extremely weak,
- The design, measurement and collection of data processes are weak,
- Lack of strategic plans and restructuring of models used for analysis of data as well as inadequate decision-making.

Figure 5.15: Monitoring of SMEDAN Beneficiaries by Monitoring and Evaluation Department



The task and responsibility of a monitoring and evaluation department in an institution or organisation is to ensure and track vis-à-vis the activities, programmes and projects performance through planning, directing, leading, coordinating and controlling in line with management expectations to know if the stated goals and objectives have been delivered (Thornhill *et al.*, 2015). The Small Medium Enterprises Development Agency of Nigeria's Monitoring and Evaluation Department task and responsibility shown in Figure 5.14 revealed that 53% of the respondents disclosed that the agency's M&E departments monitors SMEDAN programmes and projects beneficiaries yearly while 32% of the respondents acknowledged that the institution M&E department only carries out its task twice in a year. This is completely incompetent and hence results are expected not to be achieved. Lastly, 15% of the respondents affirmed that the agency assesses SMEDAN programmes beneficiaries quarterly. A senior staff of the agency's M&E department confided in the researcher that majority of the employees within the department lack M&E skills and knowledge of how M&E works and struggle to carry out their task. From the respondent's viewpoint, the agency monitoring and evaluation department uses outdated approach in carrying out its task. Hence, these M&E frameworks embedded in the agency are vague and cannot achieve any positive results. An efficient, result-based monitoring and evaluation system requires a complementary, well-focused M&E structure precisely designed, putting into consideration the following:

- How to elucidate objectives and goals of organisations through inputs, activities, outputs, outcomes and impacts.
- The organisations/institutions goals
- Are the goals achieved or be achievable and how the achievements will be proven?

Hence, the Small Medium Enterprises Development Agency of Nigeria requires an effective and efficient M&E system in order to transform and develop the small medium enterprises sector successfully. That is, a system readiness and assessment approach involving diagnostic instrument specifically use to determine a result based M&E system is required by Small Medium Enterprises Development Agency of Nigeria. Accordingly, building a result-based monitoring and evaluation system requires the followings:

- Formulations of the outcomes as well as goals
- Selection of outcomes and indicators for monitoring purpose
- Collect the baseline information, put them together for the purpose of the present condition
- Targets should be set and met for specific purposes within a stipulated date or period of time
- Frequent collection of data, assessing them and to know if set targets are met
- Analysing and reporting of results

The highlighted processes of building a result-based M&E system requires all the key stakeholders with broad initiatives vis-à-vis periodic assessment checks of field report, progress tracking and gaps identification as well as to make recommendations for corrective measures that will sustain a proactive SME sector thus achieving the desire goals and objectives.

5.5 Chapter Summary

This chapter critically revealed the findings and analysis of issues related to SMEDAN oversight, efficiency, policy implementation and transformation of the small medium enterprises sector in Ondo State Nigeria. The findings were contextualized and SMEDAN monitoring and evaluation systems for small medium enterprises development in Nigeria form the basic component of this research study.

The findings evaluate and determine the M&E frameworks for SMEs effectiveness in transforming and developing the informal sector of the economy. The findings are:

- Identification of MSME policy frameworks for roles and responsibilities embedded by SMEDAN in developing SMEs in Ondo State – The findings shown that the Micro Small Medium Enterprises (MSME) National policy framework on small medium enterprises have not been strictly adhered to optimally by SMEDAN despite the fact that the agency is the sole responsible institution in implementing the policy as provided by legislation.
- The Small Medium Enterprises Development Agency of Nigeria inputs for SMEs development in Ondo State is not linked to MSMEs National Policy Framework development objectives - The MSME policy has seven broad programmes to support and sustain the development of small business sector in Nigeria, however SMEDAN initiatives in developing small business in Ondo State is not fully connected with the policy programme areas which includes :regulatory, legal and institutional framework, human capital resources development, research and technology development, marketing, infrastructure, extension and support services as well as finance.
- SMEDAN has a weakened monitoring and evaluation department. The researcher identified incompetency amongst the agency staff with little or no idea of M&E skills. The agency has no effective M&E framework design for use. The roles and responsibilities of the agency M&E department in ensuring effective outcome and significant impacts of programmes and projects rolled out to support SMEs programmes in Ondo State were not achievable due to a disabled system put in place. SMEDAN monitoring and evaluation system are basically archaic. The incessant use of M&E system embedded in SMEDAN will definitely be of insignificant benefit and value to SMEs transformation and development. Therefore, achieving results will be a big challenge, which has influence in actualising the agency's mandate.
- The role of government, policymakers, key stakeholder's indecisiveness, lack of political will, and policies overlap with other institutions to negotiate funds to support SMEDAN was another big challenge identified by the researcher. SMEDAN is mandated by legislation to facilitate and promote micro, small medium enterprises development and transformation in Nigeria without financial backing in the implementation and facilitation of the development of

SME sector. The agency operates without adequate resources. Other stakeholder's policy especially the Bank of Industry (BOI) clashes with SMEDAN mandate and initiatives. As such, there exists a funding gap and a bulk of SME funds such as Dangote Funds; MSME funds to mention a few are domiciled with the Bank of Industry, Central Bank of Nigeria. Accessing these funds by SME managers and proprietors are problematic due to bottlenecks, though policy requirements and SMEDAN has a limited say on this because the funds are not within their reach despite the fact that legislation in Nigeria empowers the agency to facilitate, coordinate the development of SME sector.

- Inclusive, implementation of Micro Small Medium Enterprises Policy for small business development and transformation in Ondo State Nigeria is considered not to be effective and efficient with administrative bottlenecks from government and policymakers.

According to Kusek and Rist (2004), a result based monitoring and evaluation criteria encompasses accountability, transparency, efficiency, effectiveness, relevance, impact as well as sustainability. Similarly, policymakers, public institutions, Non-governmental organisations, government and donor agencies need to be progressively receptive to both internal and external stakeholders to validate definite outcomes. From the researcher's point of view, projects and programmes are associated with precise objectives and the policy it intends to address. The effectiveness of a programme or projects as identified by criteria set aside by the World Bank and the OECD showed that policy implementation is effective when the set activities attained the set targets within a specific period of time. Nevertheless, in this set-up, the Small Medium Enterprises Development Agency of Nigeria (SMEDAN) policy implementation is not effective due to the facts that numerous programmes and activities did not accomplish the set target of 100% within the definite time frame as mandated by the agency. The researcher identifies a huge gap vis-à-vis the Small Medium Enterprises Development Agency of Nigeria inefficiency when connected with the agency resources and its results. Therefore, the findings revealed that the shortage of resources such as infrastructures, funding, capacity building, mal-administration, inadequate M&E skills and policy implementation bottlenecks are part of the major reasons of SMEDAN inefficiency. The researcher in his findings explained further that the impact of the Small Medium Enterprises Development Agency of Nigeria programmes were not sustainable because challenges associated with the inputs were not primarily addressed

and resolved hence the outcomes of the programmes were not measurable. There is urgent need for the agency according to the researcher to adopt the best international utmost practice. The agency should develop an institutional framework that is operational aiming at the implementation of policy objectives that will enhance efficiency and effectiveness.



CHAPTER SIX: IMPLEMENTATION OF SMEDAN PROGRAMMES IN EVALUATING THE SMALL MEDIUM ENTERPRISES SECTOR

6.0 Introduction

The previous chapter discussed SMEDAN's oversight and efficiency in transforming the SME sector in Nigeria to secure a well- developed sector that will boost the Nigerian economy. This chapter will address the SMEDAN programmes and projects within the informal sector as well as examine the implementation of the agency's programmes amongst selected agro-allied small medium business owners/managers in Ondo State. The purpose of this examination is to ascertain how effective and efficient the implementation process of SMEDAN is in relation to its mandate. The analysis and discussions of chapter six is guided by the objectives and research questions of the study. As discussed earlier in Chapter 5, the data collected embraces two sets of respondents: 1) the SMEDAN workforce, and 2) SME owners/managers. Data was collected in the form of questionnaires. This chapter comprises biographic details of the sampled population as well as SMEDAN programmes for SMEs development in Ondo State Nigeria. The data shows just how effective the implementation of the agency's programme is in enhancing the performance and development of the small business sector in Nigeria. This chapter concludes with a summary and conclusion.

6.1 Implementation of SMEDAN Programmes in Developing SMEs Sector

As previously discussed in Chapter 2, SMEDAN's primary responsibility is to facilitate, develop, and transform a well-coordinated, stimulated, effective, and efficient SME sector that will enrich the Nigerian economy. To fulfil this colossal task, a favourable business environment, the institutional framework, and the MSME National Policy need to be strengthened with adequate support from all relevant stakeholders. The agency has rolled out many supportive programmes across the nation to ensure a complete transformation of the informal sector. According to the MSME Survey report published in 2010, the agency has collaborated and collaborates with various institutions and establishments to actualise its objectives and goals.

The agency's intervention plan encompasses the following areas:

- MSME policy formulation and development
- Capacity and skills development
- Boost fund accessibility to SMEs
- Networking and cooperation
- Strengthening entrepreneurship training and education
- Youth and women entrepreneurship empowerment and initiatives
- Rural entrepreneurship and development initiatives
- Workshops, seminars and conferences
- Development of clusters

According to SMEDAN annual report published in 2012, the agency has approximately 15 Business Support Centres (BSC) and Business Information Centres (BICs) located in each state of the country including Abuja. In addition, SMEDAN has zonal offices spread across the six geo-political zones to oversee and compliment the services rendered by the agency. With the existence of the agency across the nation, the researcher engaged with small business owners/entrepreneurs in Ondo State to ascertain how well implemented the institution's programmes were for SME development.

UNIVERSITY of the
WESTERN CAPE

6.2 Emerging Insights on the Implementation of SMEDAN Programmes

With the sole responsibility of establishing a well-structured and well-driven micro small and medium enterprises sector that is efficient to sustain and transform Nigeria socially and economically, SMEDAN have facilitated and implemented several programmes in line with the Act of 2003 that not only established its existence rather empowers the agency and station it as "One Stop Shop for SMEs development" with institutional support from the National Council on Small and Medium Enterprises and National Steering Committee on MSMEs and Micro Credit (SMEDAN Bulletin 2013). SMEDAN programmes have significant impact as far as transforming the informal sector in Nigeria is concerned. The implementation of the institution programmes from the researcher's perception is centred on appropriateness, relevance, financial commitment, leadership commitment, enabled stakeholders and communication synergy.

6.2.1 Appropriateness

The programmes rolled out by SMEDAN in the development, transformation of the informal sector of the nation's economy is suitable for establishing an effective, and efficient sector, vibrant therefore, enhance a sustainable micro and small medium environment. The agency's activities if properly harnessed and well-coordinated with the availability of resources is capable and considered as a drive in the right direction by providing a renewed perspective as well as suitable involvements in advancing the small medium enterprises sector in order to provide increased jobs opportunities and wealth creation especially amongst the timid youth in Nigeria.

6.2.3 Relevance

The Small Medium Enterprises Development Agency of Nigeria (SMEDAN) programmes to mention a few encompass the following;

- General entrepreneurship development programme (GEDP)
- Rural women entrepreneurship development programme (RUWEDP)
- Youth entrepreneurship development programme (YEDP)
- Women entrepreneurship development programme (WEDP)
- Corpers entrepreneurship development programme (CEDP)
- Sub-contracting and partnership exchange (SPX)
- National MSME on-line registration
- Business clinics
- One local government one product (OLOP)
- Trainee of trainers
- Capacity enhancement for fabricators (CEFT)
- Cluster development initiative (CDI)
- Promotion of access to renewable energy
- Entrepreneurship clubs in secondary and tertiary institutions

The programmes are relevant to the development of the informal sector and it supports the initiative of the institution to facilitate, promote and develop the informal sector for suitable economic transformation as mandated by the acts establishing the agency. The responsibilities of SMEDAN involve the promotion and the development of SME sub sector in the country, which is significance to the actualization of the transformation agenda drive initiated by government to achieve the Vision 20-2020 goals and objectives.

6.2.4 Leadership Commitment

Leadership and commitment is key to the development and success of programmes, policies and projects. The leadership and management of the Ministry of Trade & Industry as well as SMEDAN Management and Board of Directors have embarked on numerous plans to reposition the agency to achieve its mandate in promoting and developing the SME sector. Thus far, in its effort to adequately deliver effective and efficient service, the management of the agency made it a point of duty for staff to be responsible and accountable in discharging their duties and responsibilities. Although, the agency has not actually fulfilled its mandate towards the transformation of the sector due to some factors beyond the reach of the agency such as funding, poor infrastructure, inconsistency in government programme and policies to mention a few. However, to enhance productivity, skills and capacity building amongst staff should be encouraged by management so as to achieve results as at when due.

6.2.5 Stakeholders' Commitment

The success of any programme or project is determined by valuable inputs by relevant stakeholders. For SMEDAN to ensure effective and efficient programmes with significant impacts in the transformation of the informal sector there is need for commitment and engagement with stakeholders. According to SMEDAN 2008 Annual Report, the agency initiated a stakeholders meeting both from private and public sectors including NGOs, donor agencies, associations to mention a few. The donor partners' contribution includes networking, organisational expansion, business competitiveness, product development initiatives and capacity building for financing MSMEs to mention a few. The initiative by SMEDAN was to build a strong bond with stakeholders for inputs, contributions required to achieve the mandate of the institutions therefore moving the MSMEs sector forward for wealth creation through creation of employment opportunities. The researcher's engagement with SMEDAN staff during the interview session affirmed that, stakeholder's meetings, seminars and debates have been held numerous times, but the recommendations and inputs from stakeholders especially the key stakeholders (small business owners and entrepreneurs) often times are jettisoned by SMEDAN management. Similarly, international donor agencies, NGOs often engage and partner with SMEDAN and provide technical and support services to boost the services rendered by the agency to achieve their mandate. Hence, moving the nation's economy forward requires SMEDAN task and operations centred commitment, responsibility and accountability.

6.2.6 Communication Synergy

SMEDAN is one of the parastatals under the Federal Ministry Trade and Investment. The ministry with 14 parastatals is mandated to promote trade and commerce in the country. According to the Vision 2020 National Technical Working Group on Small and Medium Enterprises report published in 2009, communication and information are essential for growth and development hence it is key and vital for survival. Information and communication link should be established between the responsive ministry and SMEDAN alongside with other parastatals and agencies. SMEDAN requires up to date information to ensure steady development of its programmes. The accessibility of vital and credible information such as loan and credit facilities, market profitability, information technology, business development and support services to mention but a few will accelerate the successful implementation of organisation programmes.

6.2.7 Financial Commitment

As discussed in Chapter 5, funding is critical and vital for project implementation. SMEDAN is a government institution and not profit making establishment. The agency is funded through budgetary allocation allotted through the coordinating ministry. The mandate to develop and transform the micro, small medium enterprises sector cannot be actualised without adequate funding of SMEDAN. The agency has no direct access to funds except budgetary allocation by the Ministry of Finance and these funds comes in collections. Funds allotted by government to transform the SME sector are not domiciled with SMEDAN rather with other government owned establishments, which require a series of approval and logjam processes before funds are utilised. Oftentimes, SMEDAN is incapacitated to finance some of its programmes and projects due to shortage of funds. The M&E unit of the agency failed to carry out their task and function due to shortage of funds. Field trips by M&E unit have been stopped due to broken-down vehicles and other materials required by other departments were put to hold due to funds and as such incapacitated to function effectively. Small business owners and entrepreneurs cannot access funds from SMEDAN rather through other institutions such as Bank of Industry and commercial banks of which the set criteria to access the funds were difficult and cannot be met. The new Director General of SMEDAN, Dr Umaru Dikko Radda have made efforts so far for immediate review of the MSME policy and the acts establishing the agency since his resumption as the new head of the institution. The DG advocated autonomy

and full funding of SMEDAN to function effectively well and achieve the desired results.

6.3 Implementation Challenges and Opportunities

The implementation of the MSME policy and the mandate of SMEDAN is indeed challenging due to enormous factors within and outside the reach of the agency. The researcher emphasises that the MSMEs policy implementation challenges encompass the following:

- Leadership factor
- Non commitment of stakeholders
- Insufficient funding for developing MSME sector
- Weak institutional capacity and synergy
- Poor infrastructures
- Stakeholders weak buy-in (public and private institutions)
- Mal administration and favouritism from SMEDAN workforce
- Poor communication strategy

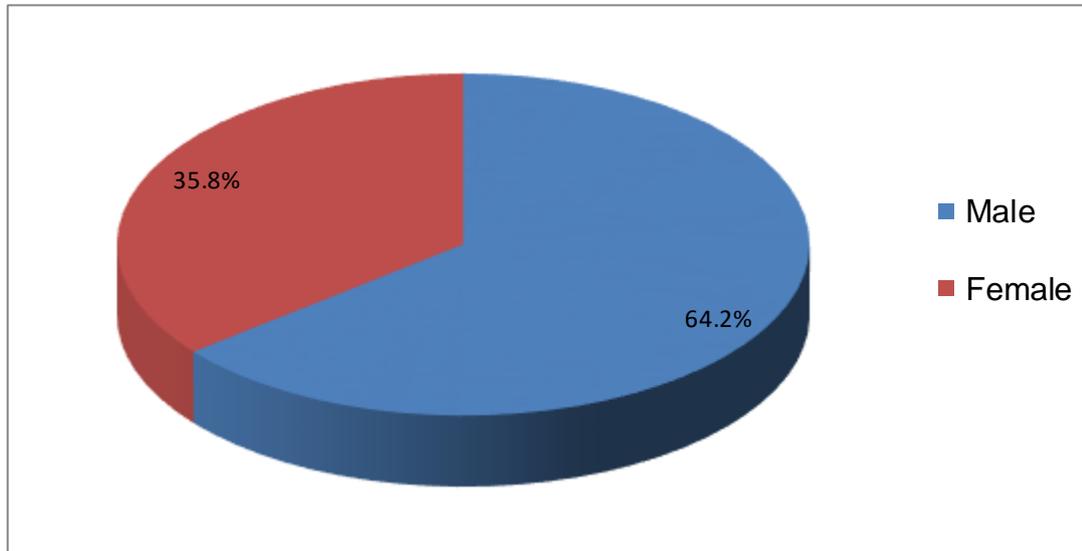
Despite the implementation challenges encountered by SMEDAN in implementing its programmes for SMEs development, the agency since its inception has strengthened its efforts by providing opportunities for the development of the informal sector as highlighted in section 6.2.3 of this research. According to SMEDAN Annual report published in 2008, amongst the registered SME operators spread across the nation, quite a number of them have significantly benefitted from the agency's programmes and efforts are still on going to ensure that more SME managers benefit from the initiatives.

6.4 Emerging Insights from Small Business Owners and Entrepreneurs

The researcher engaged with entrepreneurs and small business owners across the 16 Local Government Areas of Ondo State. The database of entrepreneurs and small business owners spread across Ondo State were housed by Ondo State Chamber of Commerce and Industry, as well as by SMEDAN Business Information Centre situated in Akure, the Ondo State capital. Hence, the researcher liaised with the agency's manager to collect the contact information of the businessmen and women in the state. A total of 180 questionnaires were distributed to small business owners/entrepreneurs to get first-hand information about SMEDAN programmes and

initiatives in supporting the SME sector and how well implemented their programmes were in transforming the informal sector. The breakdown of the respondents' details are presented in both Figure 6.1 and Table 6.1.

Figure 6.1: Gender Breakout of Respondents



Entrepreneurs/small businesses owners sampled for this research was 180 hence, 162 respondents participated in the study and returned the research instrument, which represents 90% participation in the study. Amongst the returned questionnaires, 104 participants are male (64.2%), while 58 are female (35.8%).

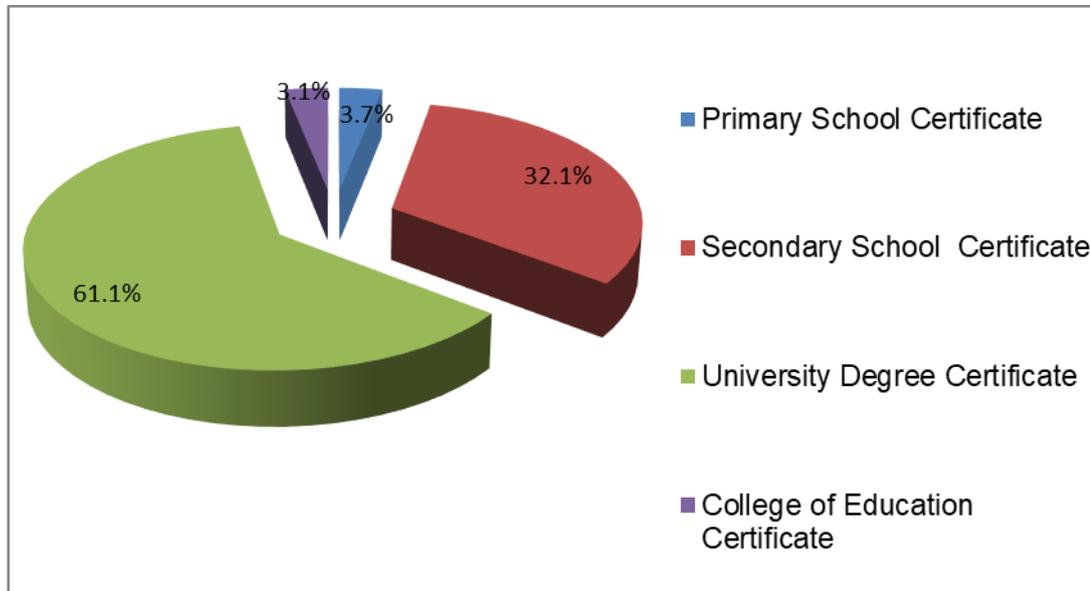
Table 6.1: Age Breakout of Respondents

Age	Frequency	Percent	Valid Percent	Cumulative Percent
18-27	11	6.8	6.8	6.8
28-36	31	19.1	19.1	25.9
37-45	34	21.0	21.0	46.9
46 -54	53	32.7	32.7	79.6
55 and above	33	20.4	20.4	100.0
Total	162	100.0	100.0	

The respondent's age ranges from 18 years of age to 55 and above. The respondents between the age brackets of 46–54 years represent the highest percentage at 32.7% (n=53). This is followed by entrepreneurs in the age bracket of 37-45 years at 21% (n=34). Thirty-three entrepreneurs within the age bracket of 55 years and above

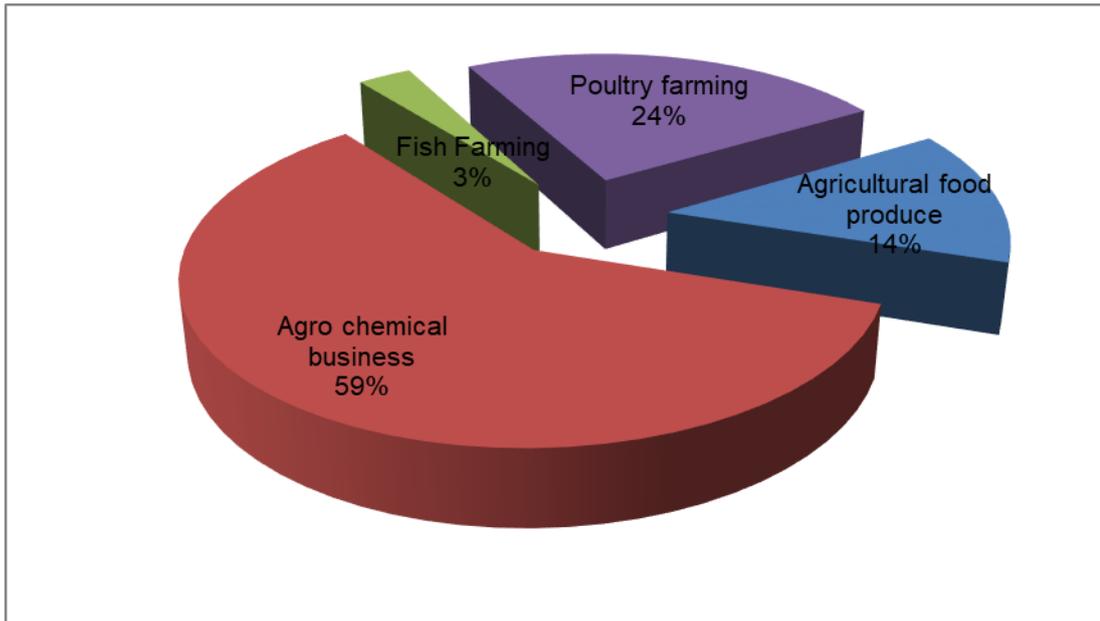
represent 20.4% of the respondents. In addition, 31 small business owners within the ages of 28-36 represent 19.1%, while 11 respondents between the ages of 16-27 represent 6.8% of the sample.

Figure 6.2: Educational Qualification



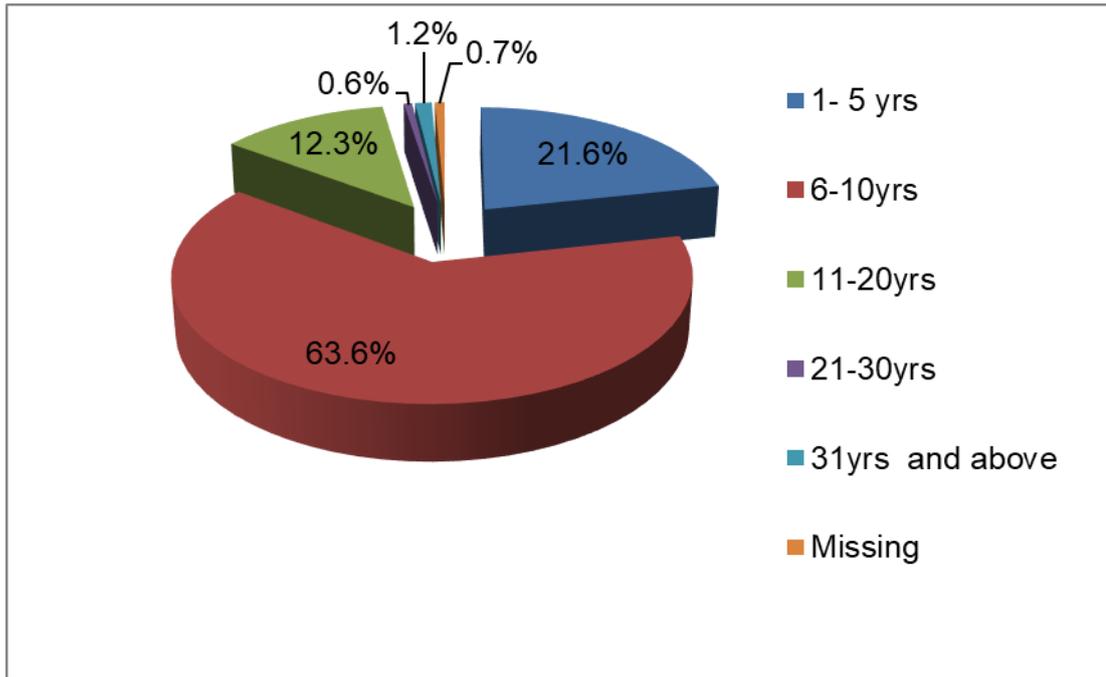
As shown in Figure 6.2, the respondents' educational background includes the following: 61% have university degrees, 32.1% have Senior Secondary School /West African Examination Council Certificates, 3.7% have Primary School Certificate qualification, and 3.1% have National College of Education Certificate. In sum, more than half of the respondents have a university degree, less than 50% have a College of Education Certificate qualification, and only a few have just primary and secondary education. This indicates that most of the SME owners/managers sampled were college-educated, and as such, have significant knowledge and influence in the day-to-day running and managing of their business activities. Therefore, the basic knowledge and skills for business growth are embedded in the entrepreneurs, and have significant impacts in terms of business learning and development. This warrants additional need for SMEDAN to equip and train entrepreneurs and small business proprietor business skills.

Figure 6.3: Trade and Business Classification



The researcher engaged with small businesses managers/owners in the agro- allied subdivision of the agricultural sector in the informal sector of the economy knowing how significant this sector is in terms of sustainability and livelihood of the citizens. Therefore, questionnaires were distributed to entrepreneurs in poultry farming, fish farming, agricultural food produce as well as the agro chemical businesses division across Ondo State. 59.3 % of the respondents were predominantly from the agro chemical business division, while 13.6% of the small businesses were actively involved in agricultural food produce division. The poultry farming business represents 24.1% of the entire study while the business operators from the fish farming segment represents 3%. The sampled population specified that a significant proportion of the agro chemical business segment have the highest number of entrepreneurs amongst the entire population sampled.

Figure 6.4: Business/Trade Years of Experience



This segment focuses on the respondents' number of years in their selected businesses and trades in the economy. As displayed in Figure 6.4, the breakdowns of respondents' years of experience in business involve the following; 103 respondents representing 63.6% are between 6 - 10 years of business experience, which was the highest, while 35 entrepreneurs with 1- 5years, experience represent 21.6%. In addition, a total of 20 business managers with 11 to 20 years' experience represent 12.3 %, whereas only 1 business owner with 21 to 30 years represents 0.6 % while business owners/managers with more than 31 years' business experience were infinitesimal, representing 1.2% and lastly 0.7% respondents declined without providing information in the study. These results suggest that entrepreneurs in the informal sector have a substantial number of years of business experience. This infers that they have acquired substantial skills, but may still require sufficient business development skills and training from SMEDAN to flourish in the industry.

Figure 6.5: Categorization of Monthly Business Revenue

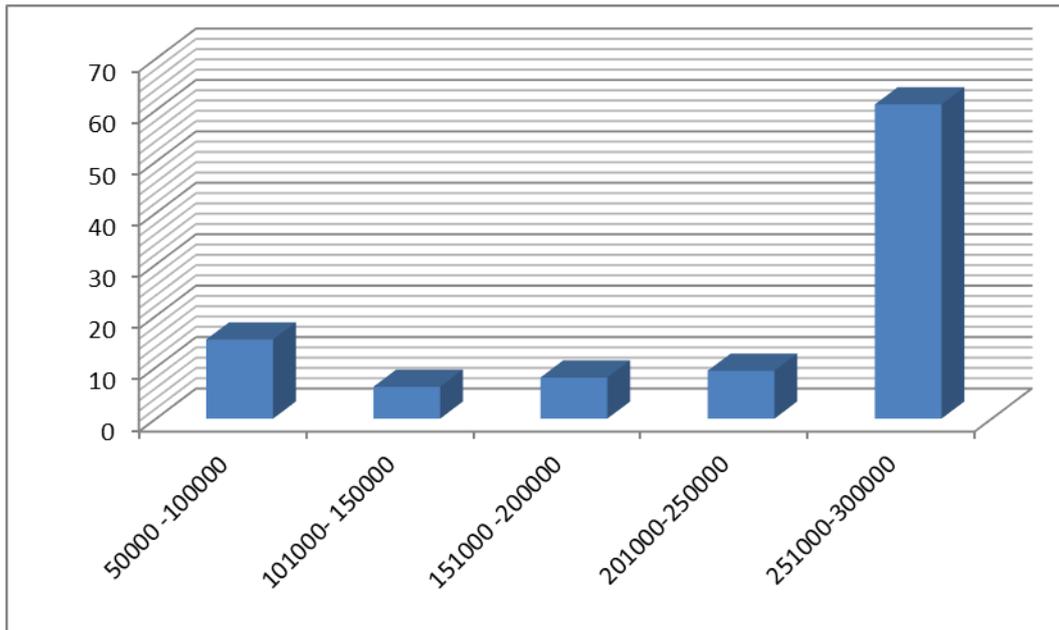
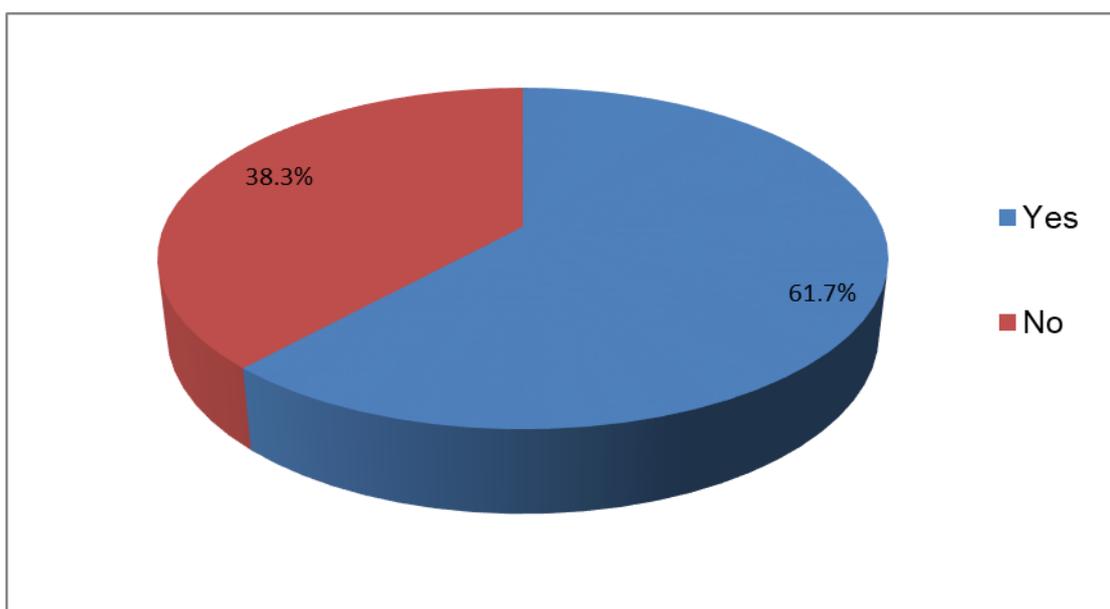


Figure 6.5 highlights the monthly revenue of all the businesses sampled to determine if they fall within the category of micro, small, and medium enterprises. About 99 small business owners/managers representing 61.1% of the sample population had a monthly revenue of 251,000 - 300,000 naira, while 25 business proprietors representing 15.4% monthly revenue is in between 50,000 – 100,000. Likewise, 6.2% representing 10 entrepreneurs from the entire sample population had a monthly income of 101,000 – 150,000 naira. In addition, a total of 15 business managers within the study population representing 9.3% have 201,000 - 250,000 naira as their monthly revenue. Lastly, 13 small business owners representing 8.0% had monthly revenue of 151,000 - 200,000 naira. The population sampled were in between the accepted definition of small businesses based on their revenue. According to the Apex bank in Nigeria, (Central Bank) Monetary Policy Circular No 22 of 1988, an enterprise or a firm with an annual income of N500, 000 naira is regarded as a small enterprise. In addition, the 1990 National Budget of the Federal Republic of Nigeria defines small-scale enterprises as firms with investment not above N500, 000 for commercial loan purpose, whereas for merchant banks, their capital investment must not exceed N2 million naira and maximum of N5 million naira.

Figure 6.6: Awareness of SMEDAN Existence by Small Business Proprietors



The diagram in Figure 6.6 shown that 100 small business owners/managers representing 61.7% are aware of the existence of the SMEDAN while 62 small business owners/managers of the sampled population note that they were not cognisant of the existence of the agency. Seventy-five of the 100 respondents who are aware of the agency claimed to know about the agency via media assistance, 18 of the 100 respondents stated that their friends and colleagues in the same trade disclosed to them the presence of the agency, and seven of the respondents found out about SMEDAN's existence through other government agencies. The researcher consents that the awareness of the agency is not a guarantee for small business owners/managers to habitually benefit from the initiatives and programmes lined up for SMEs development by SMEDAN. In sum, only 61.7% of the entire population sampled noted an awareness of the existence of SMEDAN. The researcher contends that it is important for the agency to publicise its services through media and other useful advertisement mediums to the entire public. This can be done vis-à-vis its outreach across the six geo-political zones and its business services centres across the entire states of the Federation. Lastly, the agency should liaise with other relevant stakeholders such as cooperative societies, artisans, and trade union associations to get in-touch with other SME owners and managers.

Figure 6.7: Major Challenges Inhibiting Policy Implementation in Ensuring the Growth of Small Businesses

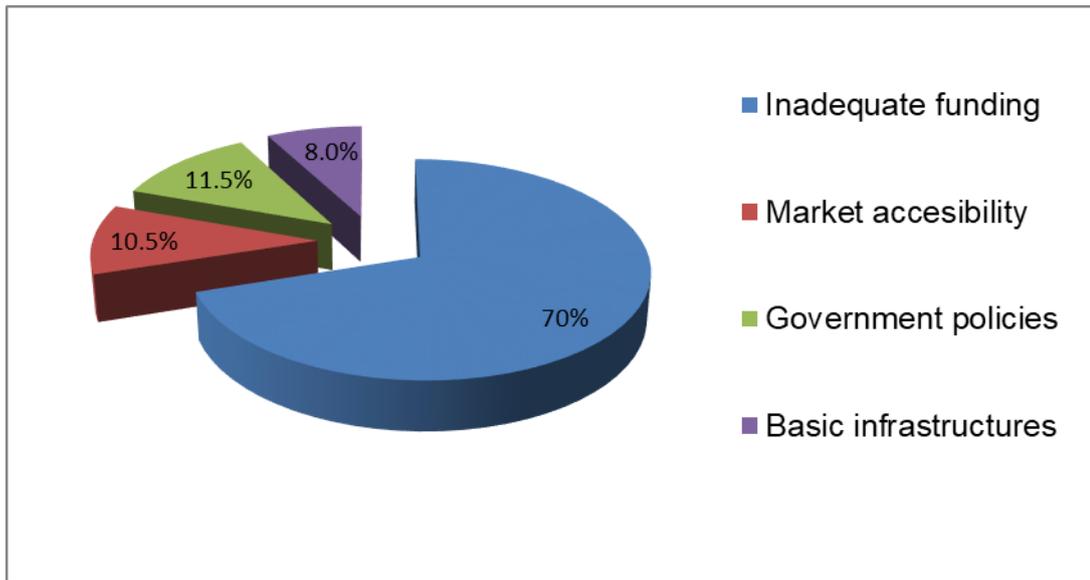
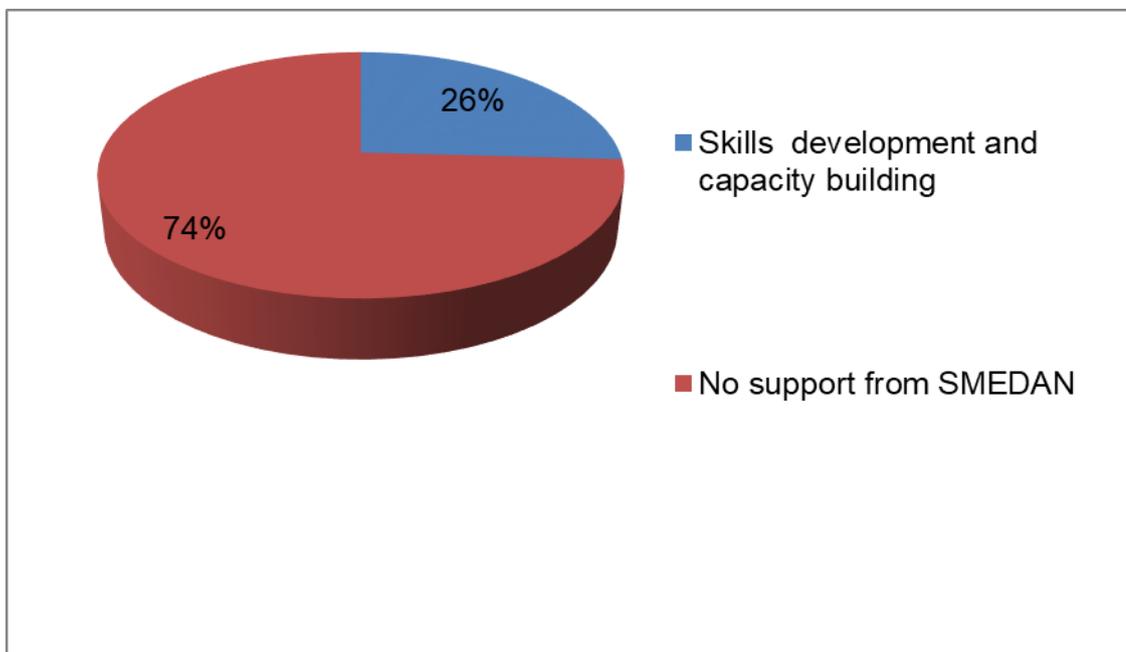


Figure 6.7 notes the various challenges and constraints hindering the growth of small business development in Ondo State, Nigeria. In total, 113 respondents (70%) state that funding their business is problematic and challenging to their business growth. Market accessibility was similarly identified as a major obstacle to small business growth. A total of 17 respondents (10.5%) specified that their businesses were completely affected, while 19 respondents (11.7%) stated that government policies have negatively affected growing their business. Lastly, 13 respondents (8%) disclosed that the agency infrastructures are dilapidated, and as such, cannot efficiently boost SMEs development in the state. From the analysis above, it appears that a bulk of the challenges facing entrepreneurs and business owners revolve around funding to finance their businesses. The basic infrastructures required for business survival is tied to funds. As an agency, SMEDAN is fully owned by the government and should collaborate with other institutions, especially financial institutions, for soft loans. SMEDAN does not directly provide funds for SMEs even though it is mandated by legislation to foster the development and growth of the SME sector in Nigeria.

The SMEDAN Director General, Dr. Umaru Dikko Radda, state that non-accessibility of funds inhibits the agency's capacity to empower and develop the SME sector to a higher level. He disclosed this during an interview with the Nations Newspaper on December 16, 2016. The Director General also called for the establishment of a SME

bank. Dr. Radda further adds that the major challenge confining the agency's capability is funding, noting that the National Assembly Act that established SMEDAN in 2003 needed urgent amendment so that the agency could fulfil its goals effectively. Furthermore, market accessibility was also identified as a challenge. About 10.5% of the respondents stated market accessibility was a constraint for their businesses to thrive, and need assistance from the agency to enhance business growth. SMEDAN has collaborations with organisations within and outside the nation that can create an enabling market for business growth for entrepreneurs to market their produce/products. Respondents also identified the problem of government policies. There is a need for the government to formulate and implement good policies for SMEs to grow and strive.

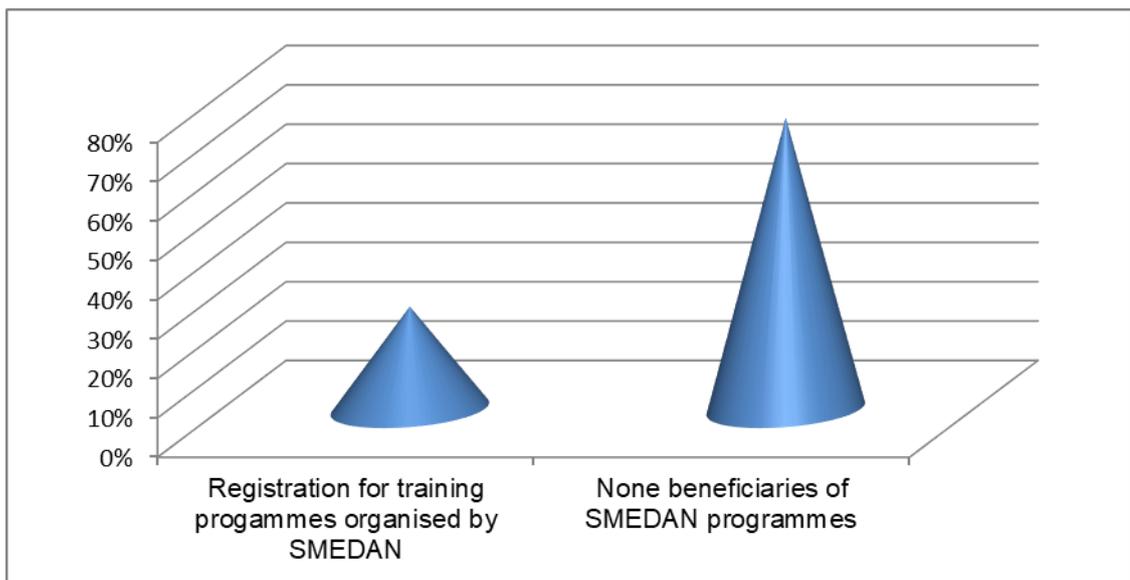
Figure 6.8: Business Support and Benefit Received from SMEDAN



SMEDAN programmes are directed at SMEs development and the beneficiaries of the programmes are discussed in this segment. Figure 6.8 highlights the respondents who benefited and those who did not benefit from SMEDAN initiatives. Amongst the beneficiaries, only 26% (n=42) benefitted through skills development, capacity building, and training acquisition. The small business proprietors who were not beneficiaries of the agency's programmes account for 74% of the sample (n=120). This suggests that the majority of the respondents have never benefitted from the institution's initiatives/assistance rendered to small businesses. However, some of the challenges highlighted by the respondents were not part of the programmes and

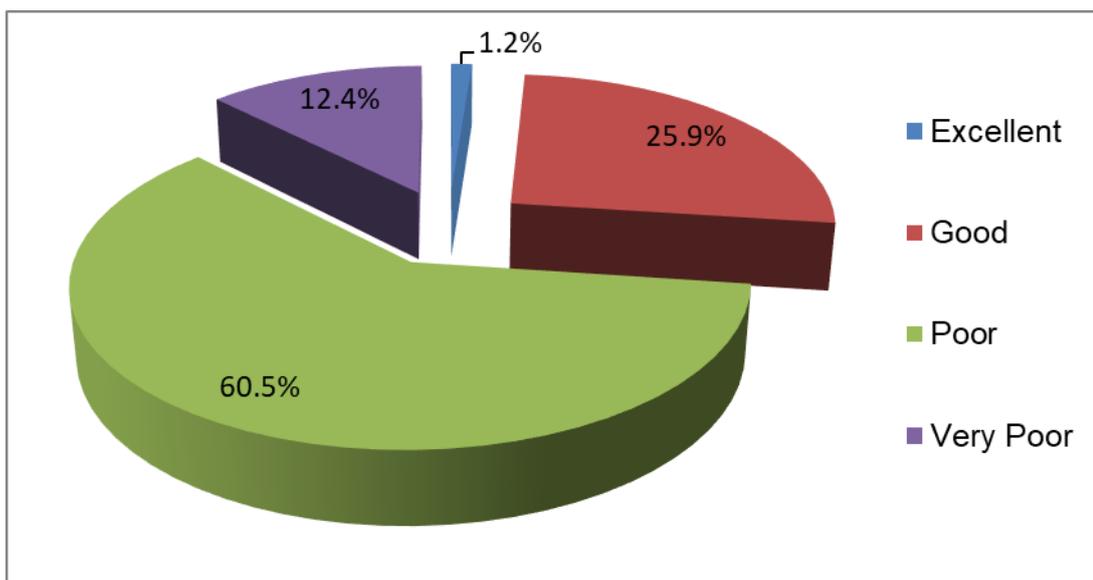
initiatives offered by the agency. SMEDAN only offers trainings, skills development, and capacity building. It is therefore imperative for the agency to reach out to all SME operators across the nation. All the business service centres and zonal offices need to be empowered and supported by both human and material resources. This will facilitate the agency performance, and consequently, enhance effective implementation of its programmes across the state.

Figure 6.9: Criteria Used by SMEDAN to Support Small Medium Businesses



This segment highlights the criteria used by the agency to support SMEs in Ondo State. A total of 42 respondents (26%) stated that they registered their businesses with the agency for the training and capacity building programmes. Specifically, they went to the agency outreach in the state based on information received from SMEDAN officials to register. However, the programmes were never publicised. A total of 120 respondents (74%) did not participate nor did they benefit from the programmes because they were not aware or informed about it. This indicates that the agency's publicity mechanism is faulty, and the researcher observed favouritism and nepotism amongst the agency's personnel during the data collection. This gap needs to be addressed for the sake of efficiencies and effectiveness for SMEDAN to be able to accomplish its mandate.

Figure 6.10: Rating SMEDAN Programmes in Support of Small Business Development

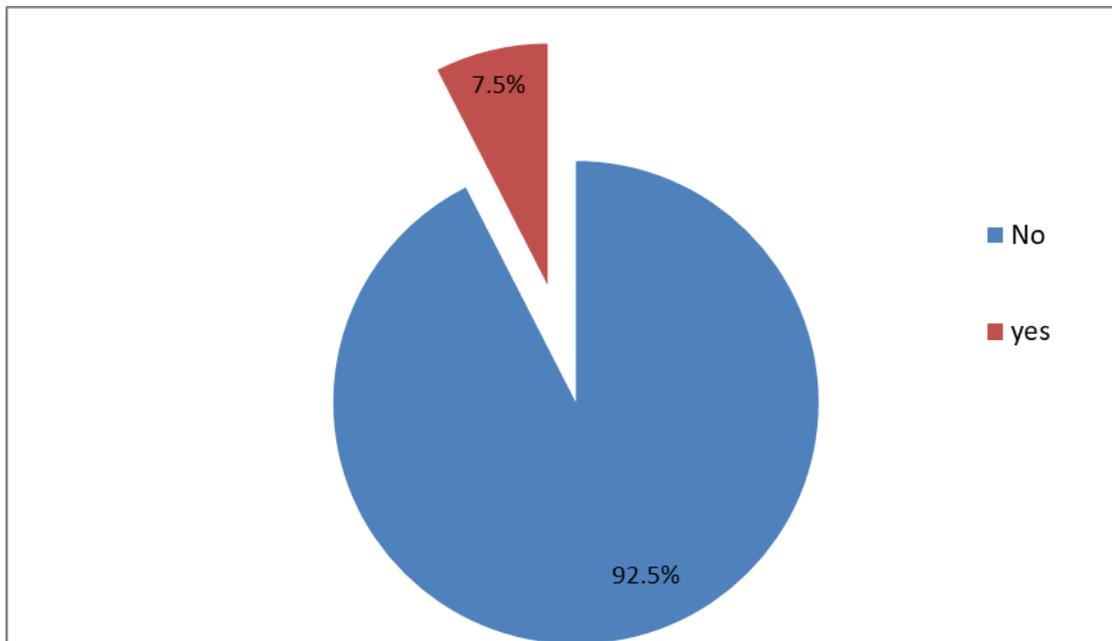


This section assesses SMEDAN in relation to its contribution towards the support of SMEs development via its programmes. From the analysis above, 2 respondents representing 1.2% rated the agency excellently well, while 42 respondents (25.9%) disclosed that SMEDAN is in good position to transform the informal sector of the economy. In addition, 98 respondents (60.5%) opined that the agency is in a poor situation. The analysis highlighted above is tantamount to the agency's capacity and capability to transform the informal sector in terms of providing an enabling business environment and implementation of policies that will facilitate and assist entrepreneurs to grow their businesses. The respondents do not feel the significant impact of the agency in their business ventures.

According to Oni and Daniya (2012:27), government, financial institutions and other key stakeholders had continually paid less attention and ignored the schemes established by them to transform the SME sector hence delivery effective and efficient service will be difficult to achieve. With an estimate of approximately 36.1% (excellent /good rating) putting the agency in a better state shows that much is required to transform the agency to be effective. Almost 80% of the respondents note that the agency is in a poor/very poor condition. This is a challenge to the small business sector in Nigeria. The researcher observed that the reason for the deplorable assessment of the agency by the respondents might be associated with inadequate funding, poor infrastructures, mal- administration/nepotism, and poor accessibility of

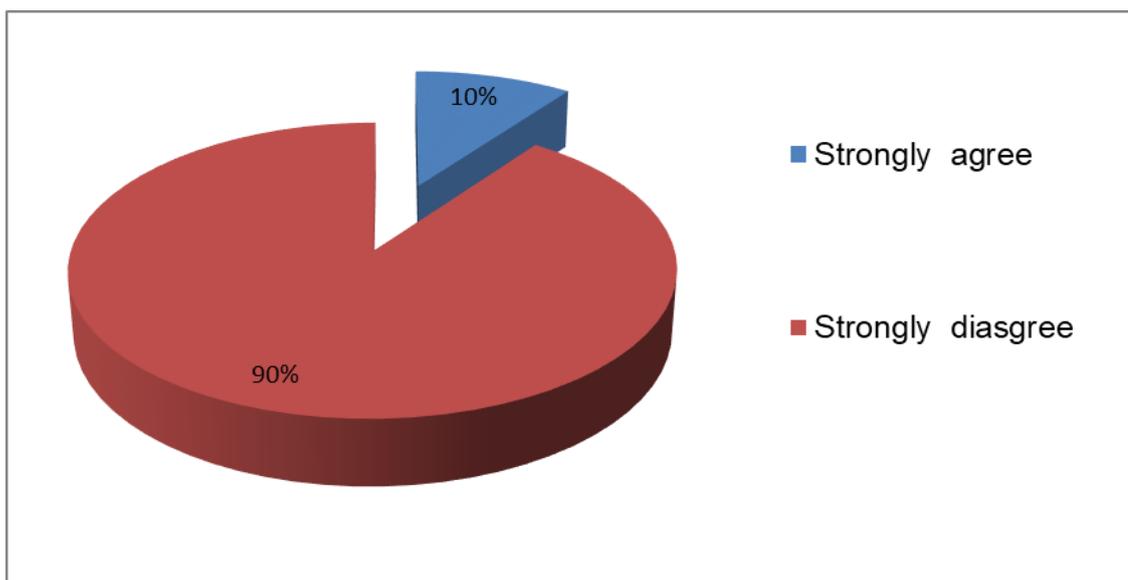
information from SMEDAN to the public as well as poor monitoring system put in place to coordinate the sector effectively.

Figure 6.11: Small Business Manager's Views about SMEDAN Programmes Satisfactorily Supporting SMEs Development in Ondo State.



The opinions and views of the small business operators/managers in Ondo State about the performance of the agency are discussed in this section. Figure 6.11 displays the respondents' views, and 150 respondents (92.5%) opine that SMEDAN's programmes and its implementation failed and were not satisfactorily accepted in line with the agency's mandates in developing and transforming the sector. The factors attributed to the agency's inability to perform excellently well, according to the respondents, include dilapidated infrastructures, ineffective coordination of SMEDAN programmes, non-funding of the agency, ineffective monitoring and evaluation system in place, and lack of publicity on the part of the agency. These factors contributed to SMEs failures within the state and made negative impact in the day-to-day business activities of the respondents. Amongst the respondents who feel that SMEDAN programmes performed well were the respondents who benefitted directly from the programmes rolled out by the agency. A total of 12 respondents representing 7.5% whom were beneficiaries of the skills development and capacity building programmes organised by SMEDAN applauded that the agency performed better.

Figure 6.12: Functional Monitoring and Evaluation Systems put in Place by SMEDAN to Monitor Beneficiaries Business

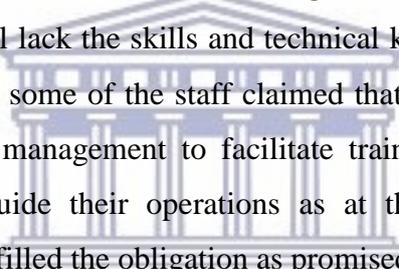


According to the MSME National Policy report of 2007, coordinating, stimulating, monitoring and evaluating the development of the informal sector in Nigeria is part of the sole mandate of SMEDAN. The agency created M&E department tasked with guaranteeing the development and transformation of SME sector in Nigeria. Figure 6.12 reveals the functional M&E systems put in place by the agency to effectively monitor and evaluate small businesses activities in Ondo State, Nigeria. As previously noted, only 42 respondents, (26%) actually benefitted from the agency's skills development and capacity building related programmes. Therefore, the researcher engaged with respondents who actually benefitted from the agency's programmes to ascertain how effectively the agency monitored its business progress. As displayed in Figure 6.13, only 10% of the respondents (n=4) strongly agreed that the agency rarely monitors their business and progress. While they all confirmed that SMEDAN officials made a telephone call once to ask the progress of their enterprises, they all noted that there were no other follow-ups from the agency apart from initial one-time phone call. It has been approximately 13 months, until date, of the study.

Lastly, 38 respondents (90%) strongly disagreed that the agency effectively monitors and evaluates enterprises growth. This suggests that SMEDAN has an ineffective M&E system in place to oversee the development of SMEs in Nigeria. According to OECD (2002:27), monitoring is an incessant task that involves the process and systematic procedures of assembling data for an identified indicator for relevant

stakeholders and management of a current or ongoing progress with the purpose of determining the level of progress and accomplishment concerning the use of allotted resources. Evaluation is a systemic assessment of completed or uncompleted projects, policy or programmes putting into consideration design, the implementation and results to accomplish sustainability, relevance, efficiency and effectiveness. The government should create a conducive environment with the resources required to support SMEDAN by constructing an effective, results-based M&E system required for the development and transformation of the SME sector in Nigeria.

The researcher acknowledged during his visit to SMEDAN head office for data collection purpose from the staff of the agency that there is no functional M&E system in place. Likewise, monitoring and evaluation framework embedded in SMEDAN is not functional and as such, it will be very difficult for the institution to achieve its goal and mandate with their existing framework. In addition, the staff of the M&E unit had no formal idea and knowledge of how M&E systems operate and functions. The personnel lack the skills and technical know-how of how M&E works and operates. Although, some of the staff claimed that efforts are on top gear by the agency under the new management to facilitate training on M&E with a suitable framework that will guide their operations as at the time of this research, the management has not fulfilled the obligation as promised.



UNIVERSITY of the
WESTERN CAPE

Table 6.2: Respondents Awareness of other Key Relevant Institutions Established by Government to Compliment SMEDAN Programmes and Initiatives

Institutions	Frequency	Percent	Valid Percent	Cumulative Percent
Bank of Industry	11	6.8	9.4	9.4
Bank of Agriculture	65	40.1	55.6	65.0
National Directorate of Employment	26	16.0	22.2	87.2
Ondo State Agricultural Input Supply Company	12	7.4	10.3	97.4
SURE P	3	1.9	2.6	100.0
Total	117	72.2	100.0	
Missing	45	27.8		
Total	162	100.0		

discusses the relevant institutions established by the government with similar goals/mandate with SMEDAN. Some of these institutions are relevant in terms of complementing, supporting and transforming the SME sector. SMEDAN in recent times has collaborated and collaborated with them in the quest of transforming the informal sector of the economy. Table 6.3 shows that 11 respondents (6.8%) disclosed that they were aware of the existence of the Bank of Industry (BOI). The bank formerly known as the Nigerian Industrial Development Bank (NIDB) was established in 1964 and later refashioned in 2001 with the mandate of providing both short- and long- term funding to Nigerian industrial sector (micro, small, medium and large enterprises). In 2002, there was a turnaround approach in the bank vis-à-vis operational, financial, and institutional strategies aimed at fulfilling the bank's mandate. The Bank of Industry is solely owned by the government and is a profit-making institution. SMEDAN has a partnership and signed a Memorandum of Understanding (MOU) with the Bank of Industry to support and finance the SME sector of the economy but much has not been done by the bank by providing funds for the transformation of the sector due to the criteria set for granting loans as discussed by the researcher in chapter 5. In addition, 65 respondents representing 40.1%

affirmed that they are aware of the existence of the Bank of Agriculture. The bank was established in 1972 as the Nigerian Agricultural Bank (NAB) and later, the Federal government restructured the bank to accommodate cooperative financing. In 2010, the bank was rebranded and changed to the Bank of Agriculture in order to finance the following: cooperative, rural development, agricultural development, and economic advancement. The bank is owned by the Federal government with (60% equity shares) and the Central Bank of Nigeria (40% equity sharers). The Bank of Agriculture's mandate is to provide credit facilities and capacity building to agricultural sector of the economy. Thus far, the agency has partnership with the World Bank, USAID, African Development Bank, and ECOWAS Bank for Investment and Development (EBID). To date, the bank has no bilateral relationships or MOU with SMEDAN.

Twenty-six respondents (16%) of the population surveyed stated that they were aware of the National Directorate of Employment (NDE). According to Ilori and Ile (2015), the NDE was established by Act CAP 250, Gazette No .61 of October 20, 1989 with a mandate to design how to provide jobs opportunities for youths in Nigeria through designing and implementing projects and programmes that will battle unemployment in Nigeria through skills acquisition and capacity building. The institution's philosophy encompasses employment generation through self- enterprises and self-reliance. The NDE has not been able to articulate its mandate effectively and efficiently due to poor funding, inefficiency, corruption, and mal-administration within the agency, and therefore, achieving its mandate has been challenging. Although the agency still exists to date, it is not functioning effectively as envisaged. This has placed the emphasis for sustaining and transforming the informal sector through job creation onto SMEDAN by the government. In addition, 12 of the respondents (7.4%) disclosed their awareness of Ondo State Agricultural Input Supply Company. The company was established in 1999 and is solely owned by the Ondo State government with the mandate to procure and provide agricultural inputs to farmers within the state at an affordable price to boost agricultural production and increase farmer's income. This agency has no partnership with SMEDAN; however, it complements the mandates SMEDAN has for SMEs development in Nigeria.

Lastly, 1.9% of the respondents (N=3) confirmed to the researcher about their awareness of the Subsidy Reinvestment and Empowerment Programme (SURE-P).

The Federal Government under President Goodluck Ebele Jonathan administration in the year 2012 initiated the programme. The idea was to save the proceedings from oil subsidy with the idea of transforming the nation. The purpose of the programme includes the following vis-a-vis; employment generation for Nigerian unwaged graduates through internships as well as generating a databank for unemployed Nigerian youths with a view of creating an enabling environment for job opportunities. The programme has a partnership with SMEDAN with the sole objective of complementing SMEDAN's goals. A total of 45 respondents (27.8%) were undecided without any substantive response as to why they felt undecided. The researcher observes that in spite of the existence of substitute agencies who share similar objectives with SMEDAN, the agency has not satisfactorily transformed the informal sector. Stakeholders need strong relationships and synergies that will complement each other's goals, objectives, roles, and responsibilities so that they can fully achieve their tasks.

6.5 Participatory Monitoring and Evaluation

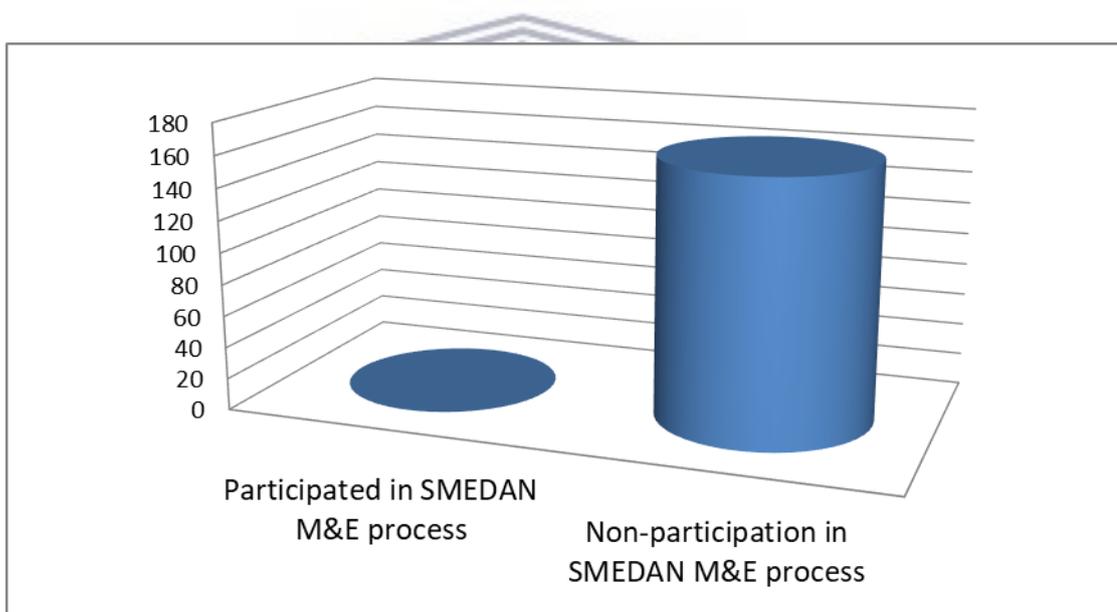
According to Narayanasamy (2009) in the Institutes of Development Studies paper published in 1988, participatory monitoring and evaluation (PM&E) is a method that involves all stakeholders keenly participating in developing and implementing all segments involved in the evaluation of a programme or projects. It is obligatory for institutions be it private, public, especially NGOs and donor agencies to adequately ensure that monitoring development and evaluating impacts is extensively considered momentous to make sure those resources are wisely utilised for goals and objectives to be fully achieved. Apart from the conventional emphasis with regards to accountability for financing institutions, hence agencies and parastatals are progressively using monitoring and evaluation to develop their task, responsibilities as well as for learning internally at workplaces. To ensure the utmost benefit of programmes or projects, there is a need for collective responsibilities amongst people as well as various groups.

Participation is crucial and vital because it identifies within organisation or institutions who carry out or does a task(s), how and when it is done in the process of transformation and development (Sharkansky, 1972; Bryant and White, 1982:126; Gavin, 2007). The kind of participation involved in the task, how effective and efficient it is and carried out by who is crucial to the development of the programme.

Participation as a procedure is key to addressing matters that encompasses sustainability and ownership with involvement of all the stakeholders. Yet, the researcher observed that, it is very obvious in developing nations especially amongst government institutions and its parastatals, civil societies and Non-governmental organisations to develop programmes and their objectives, even indicators and approaches involve in data collection with little involvement and participation of all the relevant stakeholders, especially the end-users involved in the programmes.

The researcher’s engagement with the respondents concerning their participation in monitoring and evaluation process of SMEDAN, monitoring and evaluation design and decision making, as well as standard framework for the entire nation, forms the discussion of this section and the result is shown in Figure 6.13.

Figure 6.13: Respondents Participation in SMEDAN Monitoring and Evaluation Processes



The researcher’s engagement with respondents in connection with their participation in SMEDAN monitoring and evaluation processes, design and decision making as displayed in Figure 6.13 shows that all the 162 respondents representing 100% of the entrepreneurs indicated that they were not involved nor participated with the agency M&E process and decisions. This is basically a defective decision on the part of SMEDAN by not involving all the relevant stakeholders in their programmes that mainly affects entrepreneurs and small business owners. Participatory monitoring and evaluation empower local people hence all the key stakeholders must be involved in

the entire process circle for the purpose of empowerment. PM&E involve the participation of all members (stakeholders) in decision-making process; hence, members identify their own indicators that will assist in the success of the programme using a well-defined, simple methods and procedures with the aim of getting the best results. According to Jobe (1997), participatory monitoring and evaluation assist people and all stakeholders involved in putting together their mission and vision of development and transformation so that they can work as a team for the success of the programme as they outline them. In another opinion, Jerry Adams and Anne Garbutt (2008:09) explained that PM&E is an integral approach to issues related to:

- Ownership
- Sustainability
- Improved focus on processes and outcome
- Passion about assessing and understanding interventions and its impacts on development

All these issues highlighted have detailed tasks to address, although it is overwhelming that monitoring and evaluation systems wrestle to survive when resources, time and personnel are limited. Therefore, availability of resources as well as personnel and understanding the relevance of all stakeholders' participation in the programmes do not only enhance the development and transformation processes of programmes rather forms the central part of the monitoring and evaluation system. The small business enterprises operators need to participate and be part of MSME policy and SMEDAN monitoring and evaluation systems processes because non-participatory all key stakeholders in decisions making process jeopardize results accomplishment. In addition, SME operators must be part of the ownership, structures and decision making so that issues affecting them are jointly meditated and resolved to achieve the desire goals and objectives.

6.6 Features that Support Participatory Monitoring and Evaluation

With the complexity of issues and challenges attached to participatory monitoring and evaluation in terms of programmes and projects due to larger group involvement, Guijt, (1998); Arevalo, (1998); and Saladores, (1998), highlighted some features that help PM&E which organisations and institutions especially SMEDAN should learn

from and apply it to monitoring and evaluation of programmes and projects. PM&E will be considerably much easier in the following context:

- ❖ When evaluation is accepted as internal need, responsibility and not intimidating
- ❖ Learning must be accepted through experience
- ❖ The need for understanding partnerships amongst various disciplines and sectors
- ❖ Decentralisation of institutions in workplace
- ❖ The use of qualitative indicators
- ❖ The willingness of agencies to investigate and advocate for participatory monitoring and evaluation at all levels at the right place
- ❖ Inclusion of people with conflicts resolution skills
- ❖ Understanding participation as a representative process and not an extractive in nature
- ❖ Inclusion of people with the zeal to view participatory monitoring and evaluation as empowerment process
- ❖ Awareness and establishment of PM&E practise in the community
- ❖ Developing the participatory monitoring and evaluation procedures requires adequate time frame
- ❖ Accessibility to exemplary skilful facilitators
- ❖ Ensures adequate and swift feedback of participatory monitoring and evaluation process
- ❖ Inclusion of local coordinator/ liaison official or institution within the community

Going forward, the researcher envisioned that when these features are put into consideration and practice, participatory monitoring and evaluation as a process will support the accomplishment of programmes and projects hence achievable results will be accomplished.

6.7 Chapter Summary

This section revealed the findings of issues related to the implementations of programmes and projects implemented by SMEDAN in the development and transformation of the small medium enterprises in Ondo State Nigeria. The findings revealed that the agency programmes towards transformation and development of the informal sector of the economy have not been effectively and efficiently accomplished in line to the mandate of the agency hence, small medium enterprises in Ondo State Nigeria still struggle to strive and grow. The findings include the following:

- The agency programmes are basically not known to members of the public except very few people and as such, people are unaware of the existence of SMEDAN. Despite the facts that the institution has a presence in the 6 geographical zones and offices across the 36 states of the federation, entrepreneurs and small business operators hardly know they are existing.
- SMEDAN's major challenge is funding. The agency is incapacitated to discharge its duties and responsibilities as mandated by the MSME policy. The agency's budgetary allocation by the Federal Government is not enough for running the agency. SMEDAN programmes and projects are short funded, and the agency's overdependence on budgetary allocation is a big challenge because often times, there is delay due to bureaucracy, government policies, other issues related to approval and availability of resources from the Federal Ministry of Finance disbursing funds. SMEDAN as a government institution doesn't generate fund internally, therefore it is a herculean task to function effectively and efficiently well when resources are not available.
- Another challenge confronting the agency's capability to function well and fully implement its programme successfully is the non-implementation of MSME policy and SMEDAN mandate. The MSME policy is confronted with numerous problems vis-à-vis insufficient funding, poor infrastructures, lack of commitment from both local, state and the federal government in developing the informal sector, weak synergy amongst institutions, poor capacity development amongst MSMEs as well as poor buy-in amongst stakeholders (private and public establishments).
- SMEDAN monitoring and evaluation unit has a weak system. Apart from inadequate personnel with little knowledge of M&E skills, the establishment has no standard framework used across the nation as well as a formal monitoring and evaluation framework used for its programmes and projects. The researcher observed that SMEDAN did not carry along all the relevant stakeholders especially the entrepreneurs/small business owners when deliberating on M&E and decisions related to programmes that will support SMEs development in the nation.
- Lastly, the researcher affirmed that SMEDAN does not use participatory method in impact evaluation of its programmes rolled out for SMEs transformation and development. Participatory monitoring and evaluation

involves all stakeholders intensively participating in developing and implementing all portions involved in the evaluation of programmes, projects or a policy. Hence, decisions and other related issues regarding monitoring and evaluation should involve the responsibility of not only SMEDAN staff rather must be participatory involving all stakeholders.

Going forward, the researcher suggests that the agency should adopt the best practices acknowledged globally with experiences from developed nations to transform the agency's roles and responsibilities in terms of governance and service delivery. Also, the agency should use standardised monitoring and evaluation systems, clearly defining responsibilities and roles of all the actors involve and ensure that all the stakeholders participates in decisions that affects SMEs sector.



CHAPTER SEVEN: DISCUSSIONS ON MONITORING AND EVALUATION SYSTEM FOR SMEs DEVELOPMENT IN NIGERIA

7.0 Introduction

The preceding chapter embraces a discourse on issues related to the implementation of SMEDAN programmes in developing and transforming the informal sector of the Nigerian economy. The discussion is formed by the effectiveness and efficiency of the agency programmes to sustain and transform the SME sector concerning its mandate and this is guided by first-hand information and data collected from the field by the researcher. Chapter seven centres on the national monitoring and evaluation system at a glance which is put in place by the Federal Government of Nigeria, monitoring and evaluation system and adopted by SMEDAN used in determining the effectiveness, appropriateness and sustainability of the agency's programmes. In addition, this segment encompasses an in-depth analysis of results-chain embedded in SMEDAN vis-à-vis inputs, processes, output, outcomes as well as impacts which forms part of the discourse in this chapter.

7.1 Policy Monitoring and Evaluation

Policy is regarded as regulatory mechanisms used as a guide for government activities. According to Ile et al (2012:01), policy is a set of decisions and guidelines to accomplish a precise vision within a specific circle of government. According to the South African Public Service Commission bulletin published in February 2008, "monitoring is a continuing function that uses a systematic collection of data on specified indicators to provide management and stakeholders of an ongoing development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds". Monitoring is the inspection of progress made towards the achievement of an objective or a goal as against set goals and objectives. A good monitoring system will give notice, early on the implementation of a course of action that the end goal will be reached as planned. Monitoring involves a process of comparison because actual performance is compared with what was planned or expected to realize. A typical example is the monitoring of the completion of the planned activities of a project against the target dates that have been set for each activity. In addition, Woodhill (2001:12) defines evaluation as a periodic comparison of actual results and impacts with those planned or expected,

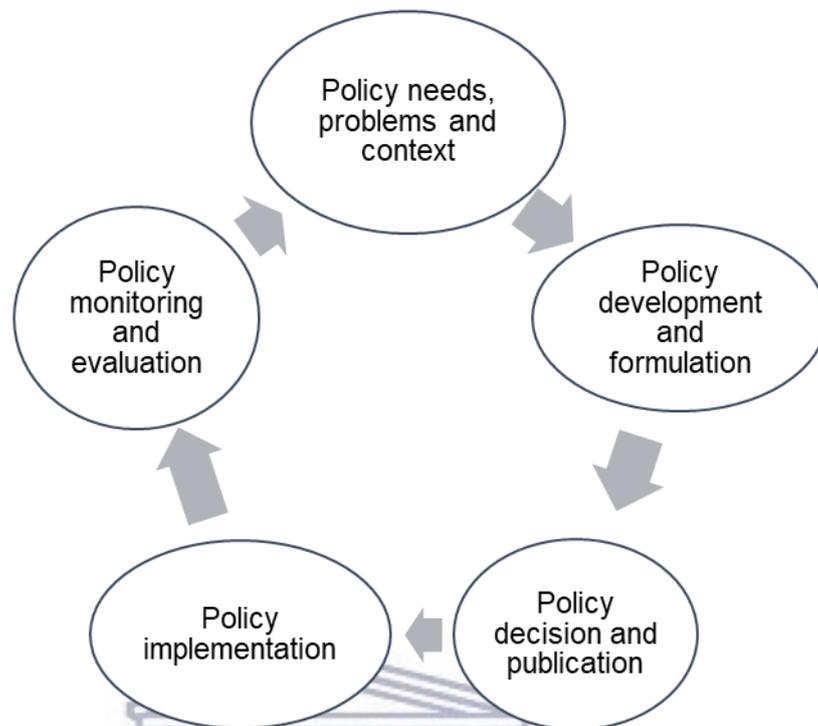
judging the overall worth of an endeavour and learning lessons to improve the future activities. Evaluation is an assessment activity to compare the intended results against the actual activities, which consist of processes that analyse what has been done. The role played by various stakeholders in the implementation process, assigned tasks, lessons learnt, beneficiaries and inefficiency if any exist (Thornhill *et al.*,2015:180). According to Yumi and Beaudry (2007:26), evaluation is a systematic assessment of an ongoing or completed project and results. Its aim is to determine the relevance and fulfilment of objectives, efficiency, development, impact and sustainability. An evaluation like monitoring can be applied to most aspect including an activity, project, strategy, programme, policy, theme, sector and organisation. Evaluation can be done during execution, which is known as developmental evaluation, or it can be done at the end of the action known as collective evaluation. Policy monitoring and evaluation process concentrates on outcomes that have been attained thus far or not, the extent and if the policy is in accordance or not with projected outcome and effectiveness of the procedures that followed (Ile *et al* 2012:12).

In addition, Ile *et al* (2012:13) explained further that monitoring and evaluation complement and enhanced governance through the following:

- Transparency
- Participation
- Inclusion

It is primarily vital for institutions and other government parastatals to know where monitoring and evaluation fits when making policy and implementing the circle. The integrated model according to Ile et al (2012:05), present a clear and detailed flow that allows organisation or institution has a clear sense and understanding of policy process.

Figure 7.1: Integrated model of public policy



Source: Ile et al (2012:05).

The integrated model in Figure 7.1 displayed how the policy process is divided into various segment and steps, which serves as guide for institutions and SMEDAN, in particular should follow this approach in dealing with their programmes and projects.

- **Policy needs**

The needs, problems and the context of small business entrepreneurs are paramount and the responsible agency and institutions need to respond actively by ensuring and providing the necessary support and infrastructures needed to compliment the SME sector. According to Ile; Eresia-Eke and Allen-Ile (2012:06), reacting satisfactorily to the needs, aspirations of people within the community, government need to take services demands into thought and develop suitable policy to manage efficiently service delivery processes in a method that deals proficiently with systematic gaps or shortfalls. Does MSMEs policy framework addresses the immediate needs of small business owners and entrepreneurs? As discussed earlier in this study, the first MSME policy framework failed to address the needs and challenges inhibiting the growth of the informal sector and was reviewed for an improved service delivery. The researcher affirmed that the SMEs coordinating agency should engage frequently with

policymakers on policy needs. The process will unfold the challenges, and difficulties affecting the sector with a lasting solution.

- **Development and formulation of policy**

After identifying, a policy needs, and then the next phase is the development and formulation of the policy. The development of a policy requires all the relevant stakeholder's involvement and not for policymakers alone to determine. Policymakers should involve stakeholders vis-à-vis entrepreneur representatives/associations, SMEDAN and other institutions through collective participation and inputs. This according to Ile; Eresia-Eke and Allen-Ile (2012:07), will help in making excellent decisions in the process of forecasting, analysing, developing scenarios and policy alternatives. The procedures require some fundamental tools that will assist in mind mapping and brainstorming which include:

- (1) Highlighting and scrutinising the strengths and weaknesses
- (2) Putting into consideration some factors that will act as enablers within the environment as well as support possible alternatives
- (3) To determine if the factors are obtainable in the predictable context
- (4) Forecast factors that may obstruct implementation
- (5) Lessons learnt from other experience need to be accepted and acknowledge

Brainstorming fosters creativity, idea development and once this is done, then stakeholders and other members ensure that they are clearly understood, they are fully recapped and suggestions are known, on the other hand, mind – mapping creates an avenue for useful procedures and helps in ascertaining significant elements through the procedure of association.

- **Policy decision and publication**

When relevant stakeholders deliberate on a specific policy, then the policy is refined with decisions from government quarters through delegated representatives that will submit the proposal with critiques. The policy is then established and the decision confirmed. It is essentially vital for stakeholders to deliberate on policy before decisions are taken and not only for policymakers alone. The concerned parties (stakeholders) decisions should be critically looked into and considered as issues affecting the sector forms part of their deliberation. SMEDAN and representatives of entrepreneurs should be duly consulted and engaged with in drafting the policy. It is absolutely necessary and important for the development of the sector. According to

Ile; Eresia-Eke and Allen-Ile (2012:07), for all-important parties involved to reflect on how the ideal decisions influence on other procedures within the larger structure of things. In other words, likely policy intricacies. The next stage is to ensure that all decisions adopted which are direct inputs from stakeholders need to be made public so that the entire public get to know about government policy, which is gazetted. According to the researcher, the majority of the entrepreneurs and small businesses operators were not aware of SMEDAN existence and amongst the few; ones who are aware have no idea of programmes put in place to support SMEs development.

- **Policy implementation**

This is a critical stage in public policy, for goals and objectives to be met; all the goals and outcome must be met. Most institutions today have issues at implementation stage when it has to do with policy and SMEDAN is not exempted. The implementation of policy requires processing the input, putting into consideration the system as well as due deliberation to the heterogeneous nature of public administration. The successful implementation of public policy according to Ile; Eresia-Eke and Allen-Ile (2012:07), involves a variety of programmes, projects as well as activities and the implementation of public policy is supported by the following: content, context, commitment, client's coalition and capacity. Before embarking on a policy, programme or project, it is important to put into considerations the content, context, commitment, clients and coalitions. They are referred to as the 5C's.

Content: Policy contents must be suitable and implementable with the right procedure. Hence, the goals and objectives of SMEDAN mandate must complement the MSME policy content, which need to be achieved with the use of the right methods and procedures. The agency must ensure that the policy contents are in line with the mandates and are implemented using the right process by involving all parties in the sector.

Context: Policy implementation is not inaccessible; therefore, it must take cognisance of both micro (leadership, institutional culture as well as leadership) and macro environment (the socio, economic, political and the technological). It is vital that consideration, which includes effects, must be given to related and relevant policies. SMEDAN institutional culture and its leadership must ensure that the MSME policy are implemented for effective service delivery.

Commitment: This is essentially vital as it involved the willingness and support to the success of a policy. The engagement and total commitment of both internal and external stakeholders are key to the success of a policy. According to Ile (2010), the will of the administrative and political class is interrelated to commitment in order to achieve a mutual objective. Ile explained further that when there is no commitment, the ability of government and its institutions to achieve desire goals dwindles. SMEDAN as government agent must ensure that all the relevant stakeholders are committed and their inputs are relevant in the transformation of the sector.

Clients and coalitions: Identifying clients, as well as collation and their interest, is important as far as policy is concern. The cause of disagreement is to successfully manage and accelerate components that support policies, which are called leaders in policy because the diversity of interest may be threatened or enriched by the policy in request.

Capacity: This is fundamentally vital as it corresponds to the capability to implement the policy. Capacity involves both physical and non-physical resources. Human capacity, financial capacity, information technology capacity to mention a few are regarded as physical resources while leadership and partnership connotes non-physical resources. The success of a policy is determined by the calibre of human resources and financial resources involved. The constraints of SMEDAN today, according to the researcher, to mention a few are linked to inadequate financial capacity and a shortage of skilled staff. Effective and efficient machinery must be on the ground to meet the required needs.

- **Policy monitoring and evaluation:** This stage involves the attainment of policy either it is in line with the anticipated outcome or not and the effectiveness of procedures followed. To determine if outcomes have been achieved, monitoring and evaluation are key and necessary for gathering information and facts. According to Ile; Eresia-Eke and Allen-Ile (2012:12), to ascertain if outcomes have been accomplished or not, gathering information is significant and imperative in policy monitoring and evaluation followed by analysis, and the delivery of related feedback suitable to structures and institutions. SMEDAN as the mandated agency in charge of the growth and development of the informal sector in Nigeria should be responsible for monitoring of all activities and events in the sector to ascertain progress and gives feedback to the government for further necessary action and plans going forward.

7.2 Emerging Insights from Policy Monitoring and Evaluation in Nigerian Context

Nigeria became an independent state 57 years ago from the British colony. After 30 years of strategic planning, the idea for an effective and efficient National Monitoring and Evaluation System came out as a model of accountability. It encompasses seven key thematic areas vis-à-vis productive sector, human capital and social development, macroeconomics development, general administration, security and governance, knowledge-based economy and regional development (National Planning Commission NPC Performance, Monitoring and Evaluation Report for Federal Ministries, Departments and Agencies 2010). The Federal Executive Council (FEC) as well as the National Economic Council (NEC) in March 2010 unilaterally approved the Monitoring and Evaluation Framework for effective monitoring and evaluating Federal Ministries, Departments and Agencies programmes and projects as well as their expenditures and investments. The sole responsibility of National Planning Commission according to National Planning Commission Performance, Monitoring and Evaluation Report 2010, is to articulate the Federal Government of Nigeria's (FGN) responsibility to adequately monitors, evaluates policies, projects and programmes embarked upon by government that will foster socio-economic growth viable enough to guarantee peoples welfare and productivity, hence optimising the key bases of economic growth and transformation. The NV20:2020 known as the economic transformation plan have specific Key Performance Indicators (KPI) for Agencies, Federal Ministries and Departments. With the incorporation of the National Monitoring and Evaluation System (NMES) coordinated by the office of the Honourable Minister and Deputy Chairman of National Planning Commission (NPC) under the supervision of the Presidency, the seven key thematic areas within the NV20:2020 known as the Vision 2020 were structured within a plan known as the first, second and third National Implementation Plans. So far, the plans covered a period of 2010-2013 (first plan), 2014-2017 (second plan) and 2018- 2020 (third plan). The plans are holistic methods embarked by government across all the MDAs to transform and develop the national economy and can be achievable through the following:

- To bridge the infrastructure gap, hence foster wealth creation and economic growth
- To increase competitiveness, productivity and enhancing the sources of economic development

- Building a functional human resource that is competitive and productive for the sake of socio-economic development
- Emerging economy that is knowledge-based
- Good governance – maintaining law and order, provision of security, ensuring effective and efficient allocation, utilization of resources, hence promoting a conducive environment for business growth and development therefore moving the economy forward
- Nurturing accelerated and sustainable socio-economic transformation that is competitive and globally accepted

The agenda of Nigeria Vision 20:2020 is a long-term strategic plan designed to stimulate the nation's economic transformation by providing the Federal Government of Nigeria with a better and enhanced techniques to learn from experience in governance, accelerated service delivery, efficient and effective allocation of resources with the involvement of all key stakeholders. In addition, implementing accurate details on inputs, activities, outputs and outcomes will stimulate Nigeria's economy on the path of continuous and rapid socio-economic development. This result can be possible through a results-based monitoring and evaluation system across all the MDAs that are a facts-based valuation of the national socio-economic performance as well as efficiency on the paths of government operations.

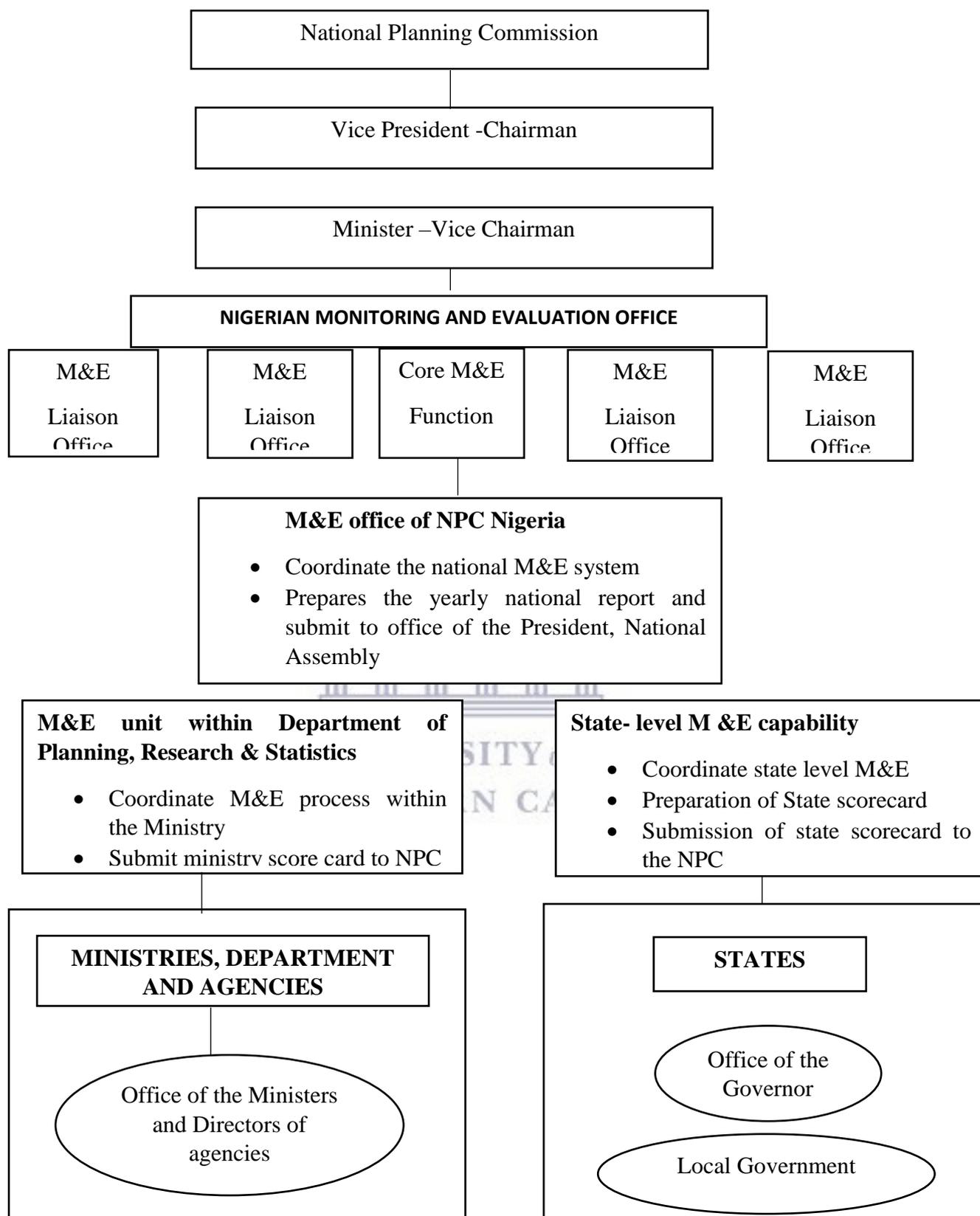
With the commencement of the first and second plan of Vision 20:2020, beginning from 2010–2017, several structures to support monitoring and evaluation across government ministries, departments and agencies were put in place for the use of the MDAs yet results are very low and some not attainable when compared to the set targets of the MDAs. Ile and Eresia-Eke, (2015:44) disclosed that most of the policies seems superb on paper but translating it to deliverables and to meet the goals becomes herculean tasks to meet up with because they are not thoroughly scrutinised and appropriately appraised. Ile and Eresia-Eke (2015: 45) stressed further that with the support of the developmental effort, and performance are tracked in a transparent method amongst people within institutions, then performance is likely to increase.

A better management of resources is important to growth and development. Projects, policies and programmes may have a good concept but may fail to materialize and serves its purpose to the society at large when unsuitable monitoring and evaluation participation takes place. The researcher affirmed numerous programmes and projects

embarked upon by past and present administration in Nigeria with an enormous amount of resources but failed to fulfil its purpose and mandates. According to Kusek and Rist (2004:12), government needs a results-based monitoring and evaluation system that encompasses numerous tracking systems vis-à-vis financial system, efficient human resources system, accountability systems and feedback system that is basically public management devices used for measuring, evaluating results and giving feedback into the continuing processes for the purpose of making decision by government.



Table 7.1: Nigeria NV20:2020 Monitoring & Evaluation Framework



Source: Nigeria Vision 20:2020 Economic Blueprint

7.3 The Roles Embedded in the National Monitoring and Evaluation Framework

The National Planning Commission (NPC) under the Presidency coordinates and is accountable for the overall monitoring and evaluation of all the MDAs across the nation. As shown in Table 7.1, practically all the agents of monitoring and evaluation have a clear description of duties and responsibilities and are mutually dependent on the framework vis-à-vis the National Planning Commission, the Federal Ministries, Departments and Agencies as well as the States. There is a clear task and responsibilities within the three segment under the M&E framework vis-à-vis the NPC, Federal MDAs and the States. The Department of Monitoring and Evaluation within the office of the National Planning Commission anchors, coordinates and is responsible for the following according to the National Planning Commission Performance, Monitoring and Evaluation Report 2010:

(1) National Planning Commission

- Coordination and anchoring the National Monitoring and Evaluation System
- Prepares the entire nation yearly reports prior to budget procedure and endorsement
- Submission of the annual report to National Assembly and to the presidency
- Publishing of the country's yearly report for public consumption
- Working and engaging with relevant and appropriate monitoring and evaluation units within Federal Ministries, Departments, Agencies and States, confirming that their templates are in good quality as prescribed by the National Monitoring and Evaluation office domiciled at NPC and are submitted as at when due

(2) The Federal Ministries, Departments and Agencies

Within the Federal Ministries, Departments and Agencies in Nigeria, the Planning, Research and Statistics Department are tasked with monitoring and evaluation responsibilities. The responsibilities to mention a few include:

- Manages M&E systems across departments, ministries and their affiliated agencies in Nigeria using reports generated within the establishments. This report contains allotted budget against programmes and projects executed, visiting sites vis-à-vis using inputs, outputs, outcomes and impacts of the programme. Operational inspection is essentially focused on outputs

- Preparation of quarterly reports based on each MDAs performance tied to outcome, hence submitting the reports to NPC office
- Reports (scorecard reports) submitted to NPC are to be validated by the National Bureau of Statistics (NBS) and other relevant institutions before it is verified by the Honourable Minister, who later signs and submits to NPC

(3) States- level

The 36 states of the federation have structures put in place, each of them has a statutory body responsible for monitoring and evaluation, and the structure replicates the National Monitoring and Evaluation System. The States structure prepares all the inputs obtained from local governments with the key performance indicators and tracked it with the States, then to the national level, which is linked, to strategic outcomes. The responsibility of the M&E structure at the state level is to establish a coordinating agency, which is at par with NPC at the national level with the mandate to prepare reports, scorecards, scrutinising state budgets and then submitting final reports to National Planning Commission.



Table 7.2: Monitoring and Evaluation Functions Matrix

M&E Functions	Institutions accountable and level to which they are undertaken		
	Federal Level	State Level	Institutional
1. Progress Evaluation Reporting regularly Changing direction	MDAs	The ministry in charge & responsible for planning /state MDAs	All directorate
2. Reporting Statutory reports Other reports	NPC NBS NAPEP Budget office MDAs SGF	State MDAS Task force from the governor and State House of Assemblies.	Directorate responsible for planning, research and statistics (DPRS) or M & E functions.
3. Analysis & Evaluation Program analysis Program impacts Priorities evaluation	NPC NBS NAPEP Budget office MDAs SGF	Ministries at state level responsible for planning	Directorate responsible for planning research and statistics (DPRS) or M & E functions

Source: Nigeria Vision 20:2020 Economic Blueprint

Table 7.2 critically disclosed the roles and responsibilities of the National Planning Commission (NPC), the Federal MDAs as well as their States counterparts. The table showed the relationship and collective partnership that exists amongst the three institutions mentioned above. They work together to affirm continuous and holistic monitoring and evaluation of the federal, the states and institutional projects, programmes and policies. There is a synergy between the MDAs, States and the NPC, many focus groups, meetings, workshops, formal and informal conversation from MDAs and State level were organised by NPC including internal and external stakeholders which makes the NV20:2020 National M&E framework incorporates data and analysis from the institutions through collaboration and support from the National Planning Commission.

7.4 Reporting Layout for Ministries, Department and Agencies

The reporting format of the M&E framework adopted by Nigeria Vision 20:2020 according to National Planning Commission Performance, Monitoring and Evaluation Report 2010 was specifically based on global best practices of monitoring and evaluation with specific reference to the Nigerian context. The reporting layout has four sections that are pertinent to MDAs broad range with each institution carrying out different roles and presenting different kinds information. In addition, the Ministries, Departments and Agencies engage with different kinds of data relevant to their operations with suitable key performance indicators (KPI) and the best method required for planning purposes.

The official validation of the reports in section one encompasses and necessitates signatures of top officials of the MDA. Reports obtained with signatories are fundamentally essential; it serves as assurance that the information is verified, precise and in the best knowledge of officials from the MDAs. In addition, the duly signed documents are a proof of engagement and participation of top officials within the Federal Government of Nigeria indicating ownership and responsibility, which is a vital indicator for M&E framework of the NV20:2020. The next section of the report encompasses information about the MDAs, the components, establishments and parastatals under its responsibility and their mission statements and staff details especially liaison officer or contact person for follow-up. It is also fundamental to note that each establishment or parastatal must report on five KPI data, although not necessarily mandated by law that MDAs must report on five key performance indicators. Section's three emphases were on the request for baseline data of each KPI in order to develop data completeness. The purpose for requesting the KPI is to determine the yearly trend in the KPI, to compare the target values and actual values and ascertain if the MDAs are on track in accordance with the mandates and vision set aside by the NV20:2020 and comparing the MDAs set target with the Millennium Development Goals Strategy (MDGs) targets. Lastly, the last section of the report focuses on the accomplishments and the difficulties encountered during the year(s) and their initiatives as planned and predicted risk factors. It is expected of the MDAs as far as evaluation is concerned, to clearly exhibit their separate planning procedure, and add it to the nation's development in accordance with the direction of NV20:2020.

7.5 Micro Small and Medium-Sized Enterprises

The Federal Ministry of Industry, Trade and Investment is the responsible ministry in charge of the SME sector in Nigeria and it was restructured in the year 2011 with the mandate to drive and develop the nation's economy using models adopted and implemented in emerging economies and developed economies of the world while the agency responsible for the coordination of SME sector as mandated by SMEDAN as discussed in chapter two of this research. The aims, target and vision of NV 20:2020 is to have a small-medium enterprises sector that will not only drive the national economy forward but ensures growth, transformation, viability with the help of improved technological innovation for the production of goods and services, the development of entrepreneurial and innovative skills and access to micro-credit facilities. The strategy is to strengthen public-private partnership initiative programmes, the establishment of well-structured clusters that will facilitate the growth of the informal sector of the economy in Nigeria.

Looking at achievements and the implementation progress of NV 20:2020 under sustainable economic growth section vis-à-vis poverty alleviation, employment generation through entrepreneurial skills acquisition, sustainable development and equitable growth in the economy, SMEDAN as the coordinating agency responsible to support these initiatives thus far have not significantly achieved its mandates due to some internal and external challenges and other issues affecting its modus operandi. According to the National Planning Performance, Monitoring and Evaluation Report (2010:72), during the period under review, the progress and accomplishments report of SMEDAN against sets target where not available to the National Planning Commission. The reason for not submitting their reports to the National M&E coordinating institution according to the researcher shows that SMEDAN programmes, projects were not effectively captured due to the lack of understanding of how M&E functions. The researcher acknowledged this gap during the interview section with SMEDAN staff as critically discussed in chapter five of this study. The agency M&E system is not functional. Although SMEDAN affirmed in their annual reports, the progress made thus far in the transformation of the informal sector of the economy as clearly displayed in Figure 5.7 and Table 5.2 respectively in Chapter 5 of this research study.

7.6 Understandings Results Chain Activities Embedded in SMEDAN

According to Canadian International Development Agency (CIDA) report published in 1994, result based management (RBM) encompasses the participation of all stakeholders in planning, implementation, monitoring and reporting the results of programmes, policies and projects. The concepts that motivate result-based management according to Canadian International Development Agency (CIDA) report published in 1994, involve diverse stages of results chain, which try to capture progress and changes that occur amongst the following:

- The short-term results or the outputs
- The medium-term results or the outcomes; as well as
- The long-term results or the impacts.

The results are connected together and referred to as results chain. In a similar view, Ile, Eresia-Eke and Allen-Ile (2012:82), stated that results chain indicates how results are anticipated and achievable. It involves the relationship between resources and results and how the resources are utilised to achieve the expected results and the results- chain is often referred to the best method to bring together resources and momentous changes that might be comprehended into perspective. A graphical illustration is shown in Figure 7.3 to buttress the argument.

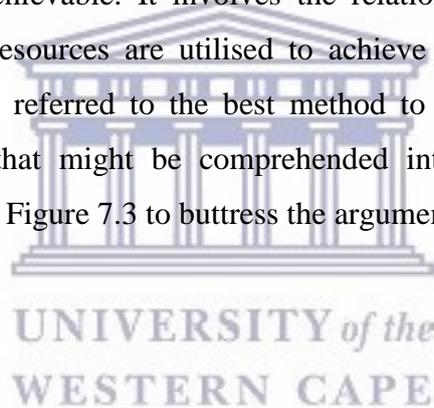
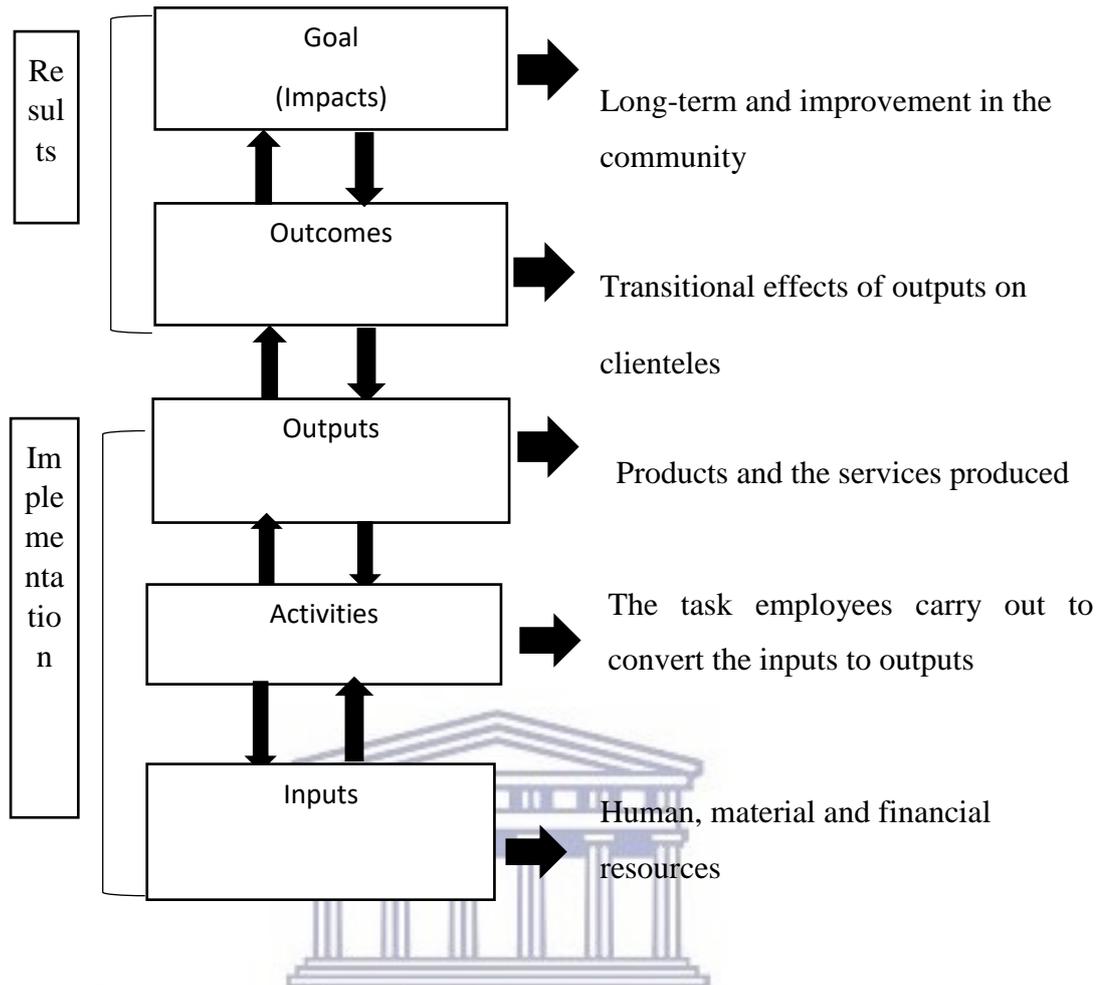


Figure 7.2: Results chain flow diagram



Source: Researcher’s configuration 2017.

The results (both short-term and long-term) of programmes and projects vis-à-vis outputs, outcomes and impacts are determined by the resources regarding the inputs and activities as shown in the diagram above. There is a connection between resources and results hence it is expected of ministries, departments and agencies for results-based monitoring and evaluation to create a result chain for programmes, policies and projects that involve the participation of all stakeholders carrying out tasks and responsibilities effectively well in order to achieve the desired results. Within SMEDAN, the researchers unveiled the results chain activities embedded in the agency about their monitoring and evaluation drive.

• Inputs

The inputs connote resources, comprising human, financial, material and physical resources. The staff, tangible materials such as office equipment's, motor vehicles, the agency's building, liquid and floating cash and other resources allotted to SMEDAN from the government as well as grants from other institutions are classified as inputs. The agency used these resources as required by law and mandate given to them to execute their projects, programmes and policies meant for the development and transformation of the informal sector of the economy. The institution offices located within the six geopolitical zones of the country and business offices across the 36 states of the federation forms parts of SMEDAN inputs, including movable and immovable assets

• Activities

Activities according to Ile, Eresia-Eke and Allen-Ile (2012:83) normally relate to transformation or consumption process of the input intended at producing an output. Activities is a procedure that involves putting all the resources (inputs) vis-à-vis man, money, machine and material together, breaking them into structures useful for generating outputs. SMEDAN activities according to the agency's mission and vision statement encompass the following;

- Provision of business information services which include: raw materials, demand and supply, markets, competitions, prices and entrance requirements as well as dissemination of vital information via the agency websites and another electronic medium
- SMEs support facilities such as basic training encompass business plans and proposal writing, feasibility report writing, accounts and bookkeeping training, government incentives utilization. Others include mentoring - facilitation of contacts amongst experienced and successful entrepreneurs and promising entrepreneurs, counselling services and business clinics
- The promotion and development of business and trade opportunities
- Financial availability to SME operators through the process of preparing reliable business plans/proposals to source for funds from financial institutions, a partnership with microfinance institutions that provide funds for MSME schemes as well as appraising and recommending proposals from SMEs to financial institutions that partner with SMEDAN

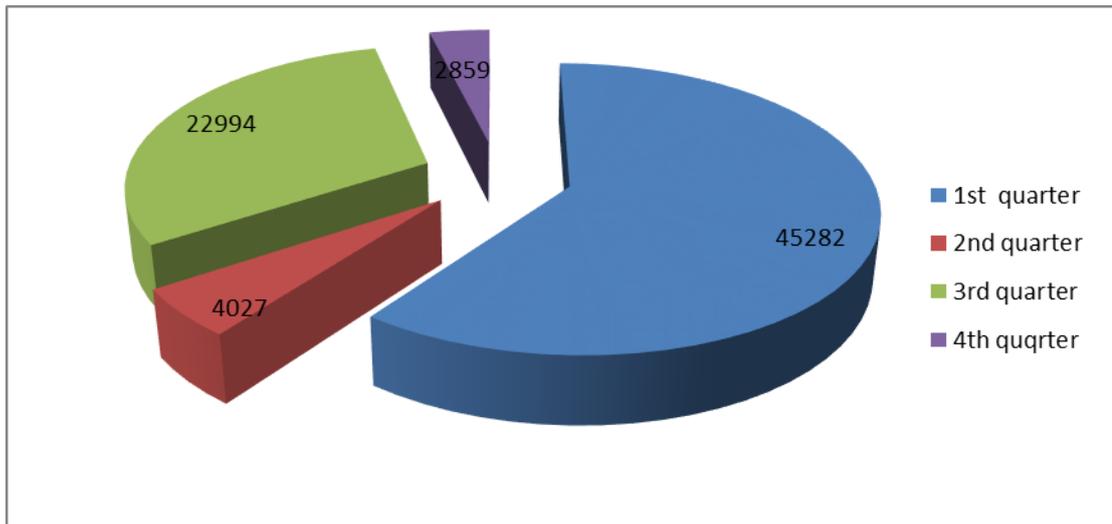
- The improvement of the business environment for micro, small and medium enterprises operation through advocacy of micro small and medium enterprises interest promoting cooperation amongst business enterprises and supporting access to the workplace for cost effective operations

- **Outputs**

The first level of results achievement within the results chain is known as the outputs. When issues and questions such as activities undertaken within establishments or institutions arise, then the answer is the output. Ile et al (2012:83) disclosed that outputs are classified as instant results derived from the consumption of available resources including the conclusion of all the projects or programmes of activities. SMEDAN outputs in this context refer to products and services provided for SMEs development. The projects and programmes rolled out to support the informal sector include the following to mention a few:

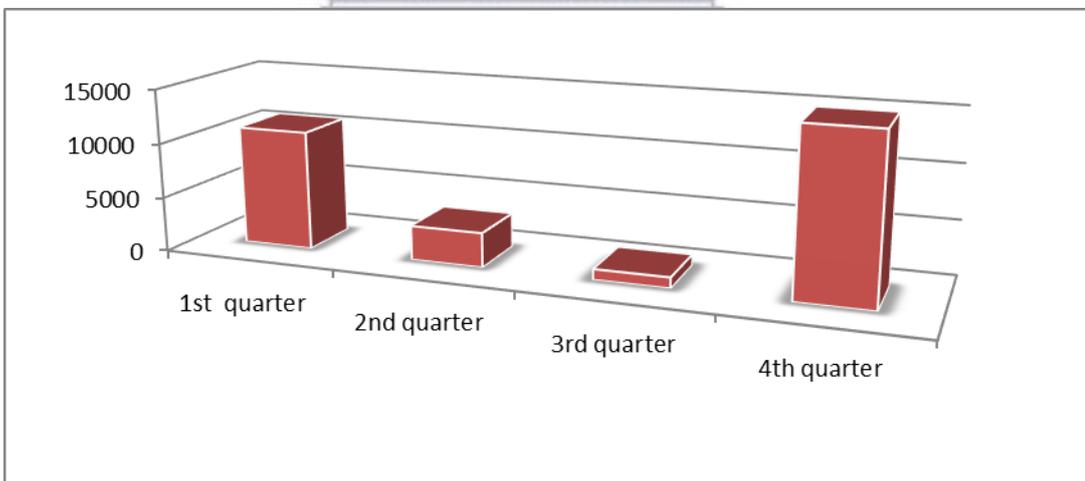
- General entrepreneurship development programme (GEDP)
- Rural women entrepreneurship development programme (RUWEDP)
- Youth entrepreneurship development programme(YEDP)
- Women entrepreneurship development programme (WEDP)
- Corpers entrepreneurship development programme (CEDP)
- Sub-contracting and partnership exchange (SPX)
- National MSME on-line registration
- Business clinics
- YOUWIN
- One local government one product (OLOP)
- Trainee of trainers
- Capacity enhancement for fabricators(CEFT)
- Cluster development initiative (CDI)
- Promotion of access to renewable energy
- Entrepreneurship clubs in secondary and tertiary institutions
- MSMEs survey and data collection

Figure 7.3: Summary of SMEDAN Entrepreneurship Training and Sensitization Programmes in 2012.



Source: SMEDAN Annual Report, 2012

Table 7.3: Summary of SMEDAN Entrepreneurship Training and Sensitization Programmes in 2010



Source: SMEDAN Annual Report, 2010

So far, SMEDAN, through the entrepreneurship skills, training, and business sensitization programmes, has trained 105,155 within its capital budget from 2007 to 2016 as indicated in Figure 7.3 and Table 7.3, respectively. The beneficiaries of the programmes include both start-up and small business proprietors comprising youth

and women across the nation. The graphical illustration in Figure 7.3 and Table 7.3 indicates the outputs from SMEDAN.

• **Outcomes**

The next phase of output within the results-chain is known as outcomes. Outcomes are linked to behavioural changes amongst the people who are beneficiaries of the outputs. The results of programmes, policies and projects executed within the society or group encompass outcomes. The outcomes of a programmes or projects determine how effectively or efficiently the programmes behaviourally change the lives of the target beneficiaries. The Small Medium Enterprises Development Agency of Nigeria programmes and projects main objectives are to develop and transform the informal sector of the nation's economy. Therefore, the programmes critically determine the sustainability of the informal sector and projects (output) rolled out by SMEDAN. According to the researcher, based on first-hand information obtained from respondents during data collection from the field, it was revealed that various programmes and projects rolled out by SMEDAN thus far have not meaningfully and satisfactorily transformed and sustained the informal sector of the economy when compared to the agency's target and mandate due to many challenges inhibiting the agency's performance as highlighted in this study.

Impacts

The significant effect of the programmes and projects to the larger society with the entire level of results is often termed as impact. The sustainability of outcomes with extensive societal values shows the impact of the programmes. Also, Impact is a phase that explains the significant effect of the rolled out programmes and projects to the society and how it improved the lives of people. The goals and objectives of SMEDAN are to drive and develop the nation's economy using models adopted and implemented in emerging economies and developed economies of the world. To achieve this task, the law permits the agency to coordinate the SME sector in order to fulfil their mandate. Since the establishment of the agency, much has been done to transform the sector through the rolled out programmes and projects. So far, SMEDAN has not been able to meet its mandate in transforming the sector as affirmed by Dr Radda, the Director General of SMEDAN.

The Director General mentioned that SMEDAN Act needs urgent amendment by the National Assembly to overcome various challenges hindering the agency's performance. The Director-General states that if the Act is speedily amended by the

National Assembly, the agency would be more empowered, capable enough to develop and transform the SME sector to an advanced level in terms of efficiency and transformation which will have a momentous impact on the nation's economy in the long run. Therefore, it is obvious that the outcomes of the institution so far have no significant improvement and impact to MSMEs operators in Ondo State and the nation at large. The researcher acknowledged that virtually all institutions and establishments concentrated more on inputs because it is the basis for their operations while some institutions main focus embraces various activities that need to be carried out and the process of carrying the activities out. Likewise, some institutions and establishments focus more on generating outputs from their operations while some are less concerned if the desire outputs will produce the anticipated outcomes. This is perhaps because of the issues attached to outcomes generation that is beyond the control of the organisations or establishment.

Lastly, in terms of impacts, only limited organisations and establishment is concerned with how they're rolled out programmes and projects significantly influence the society. In the real world today, many projects, programmes and intervention initiatives have failed and unable to generate the desired results in terms of outcomes and impacts to the communities at large and as such, resources have been squandered without results and some of the projects and programmes are termed "white-elephant's projects" of no significance and economic purpose. It is therefore advisable for institutions and establishments to have a clear understanding of programmes and projects using result based management approach that enables agencies to focus more on organizations effectiveness, efficiency and accountability.

7.7 Institutionalising Monitoring and Evaluation System in SMEDAN

A well-structured monitoring and evaluation systems according to Allen-Ile et al, (2015:62) are well established using a participatory method that pools the thoughts and concerns of all the relevant stakeholders together. Also, this process equips the system with two procedures encompassing a performance fact delivered to adequately address stakeholders concerns while the other method adopts a participatory approach to critically build an M&E system that supports establishments and institutions to acquire a buy-in from key stakeholders and create a bargain about the expected results and what it ought to be. The researcher canvassed for an M&E for SMEDAN to facilitate, monitor and improve the activities within the informal sector. Kusek and Rist (2004)

disclosed further that an effective and efficient monitoring and evaluation systems comprise four key elements vis-à-vis:

- Ownership
- Management
- Maintenance
- Credibility.

- **Ownership**

Ownership is essential for monitoring and evaluation to serve its purposes within an institution or establishment and certain responsibilities and tasks within the system should not be entrusted in certain individual or groups of people. Therefore, Monitoring and Evaluation system should sufficiently serve its purpose; hence, those who made momentous impact and contribution within the system should take control and ownership by supporting it.

- **Management**

Management involves the process of planning, organising, leading, directing and coordinating all resources within an organisation to achieve the desired goals and objectives. Therefore, the function of management vis-à-vis planning, controlling, leading and organising overlaps and infiltrates other activities within the system, hence makes it efficacious. For monitoring and evaluation system to serve its desired purpose and fulfil its goals and objectives within the MDAs, duties and responsibilities need to be specifically defined and assigned. Allen-Ile et al, (2015:63) disclosed that overlapping duties and responsibilities have a negative impact, which impedes the M&E system to function effectively due to conflicts instigation. When incentives are rolled out to well-performing employees who carry out their task and responsibilities effectively well, then the process involves management of M&E systems.

- **Maintenance**

A system, application, or even a generating set that is not well maintained as at when due breaks down often times. So, monitoring and evaluation system that lacks proper maintenance becomes dilapidated, ineffective and useless within a specified period. Therefore, vital information used for M&E system needs proper maintenance, reviewed as at when due and ensure that adequate changes are made within the information segment of the system to ensure that performance –related information that the system

generates are valuable and of immense benefits. Also, skills and knowledge of people who carry out and perform their task and responsibilities within the M&E framework in an establishment or institution via data analysis, data collection, evaluation, reporting, and selecting indicators within the system are updated from time to time through intervention and training initiatives.

- **Credibility**

Credibility connotes reliability. Therefore, information and data collected must be trustworthy and functional so that the system can make use of the data collated for decision-making purpose. The monitoring and evaluation unit must generate accurate information and data at all time for effective and efficient use of the system, which tends to enhance performance and get effective results.

7.8 Synopsis of Monitoring and Evaluation System from South African Perspective

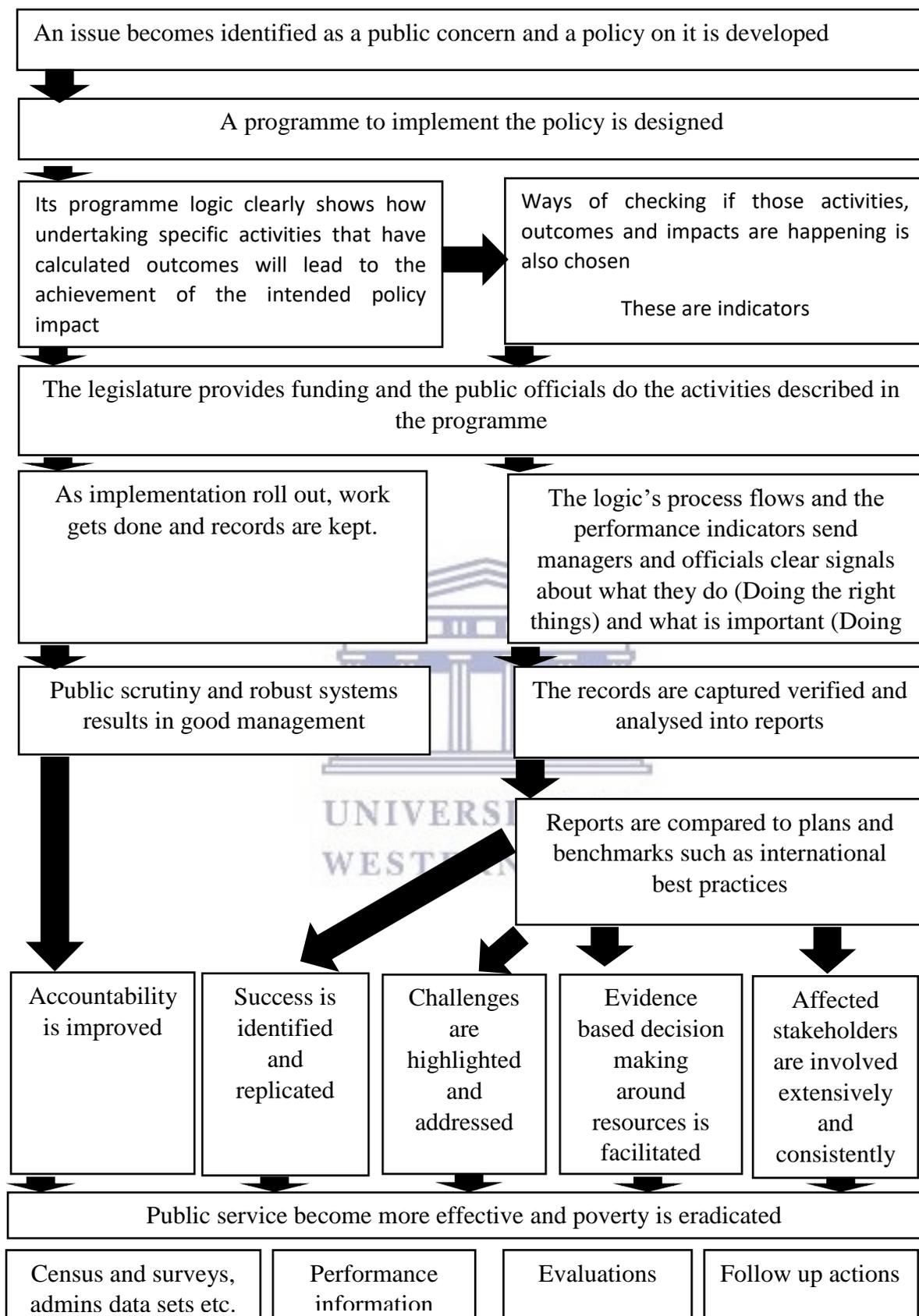
Post-1994 saw a new dawn in the Republic of South Africa. With the attainment of independence and a democratically elected government led by the African National Congress (ANC) party, the transformation and restructuring of the new South Africa began with the administration of President Nelson Mandela through the process of providing qualitative and essential services to citizens. Although, much was expected from citizens within a short period of time from the ANC led government in terms of providing effective and efficient service delivery which led to numerous unrest within various communities and provinces in South Africa. In view of the disturbances perpetuated by citizens, South African President, Thabo Mbeki endorsed the Government-Wide Monitoring and Evaluation System (GWMES).

The GWM&E System is a process that involves verification and validation of systems, mechanisms involving early-warning, generation of data, qualitative analysis, decision-making and reporting Ile et al (2015:12). Aside the approval of the GWM&E System, performance monitoring and evaluation department was established under the presidency headed by a Minister with the sole mandate to initiative performance monitoring and evaluation across the length and breadth of the nation vis-à-vis the national, provincial and the local government areas. The GWM&E System policy framework is guided by a relatively number of principles namely; transparency, accountability, participation and inclusion. The purpose of GWM&ES in fact is to provide an integrated framework for monitoring and evaluation purposes, its principles, practices, as well as standards

adopted and used by MDAs and government. It also functions as a top-level information system drawn within the component framework with the purpose of delivering useful monitoring and evaluation framework for all its users. In addition, it is anticipated that the GWM&E system enables the sequence of events centred on managerial action and critical reflection concerning analysis of interactions vis-à-vis the placement of inputs, generating service delivery outputs, the outcomes as well as the impacts.



Figure 7.4: Flowchart of how GWM&E System Envisioned Outcomes should be achieved



Source: Ile, Eresia-Eke and Allen-Ile (2012:16) in Policy Framework for Government-Wide Monitoring and Evaluation System (2007)

The GWM&E system diagram in Figure 7.4 displayed how monitoring and evaluation tend to contribute and achieve its anticipated outcomes within the stipulated period. The diagram also emphasised more on the link between numerous processes in governance as well as the appropriate data terrain, which embraces evaluations, socio-economic and demographic statistics and the programme performance information. The GWM&E component centred on standards, procedures and basic techniques required for effective planning, piloting evaluations, conveying the results of policies and programmes of government. Furthermore, the main objectives of the GWM&E system are to produce outputs, which encompass the following:

- Quality data for performance and improvement, evaluating projects as well as programmes at departmental level within the local government areas with regards to - inputs, outputs and outcomes
- Thematic and sectoral evaluation report
- Improved M&E outcomes and its impacts on projects and programmes initiated by government either at national, provincial and local government either by weekly report, bi-monthly report and annual report subjected to the adopted indicators
- Improved M&E, the outcomes and impact at provincial level with regards to growth and development plans
- Programmes and projects that improve monitoring and evaluation performance in designated government departments and establishment
- Improved capacity building for monitoring and evaluation to assist government in decision-making

Monitoring and evaluation within the South African context as illustrated above indicated roles and responsibilities put together by the performance monitoring and evaluation department in the presidency to ensure the development of frameworks involving all relevant stakeholders to ensure that programmes, projects and policies achieved the desired goals as against set targets. The implementation of the M&E through the GWM&E system involves institutional arrangements, legal mandate that underpins roles and responsibilities and the principles guiding the implementation plans across the areas of duties and responsibilities according to Policy Framework for Government–Wide Monitoring and Evaluation System (2007) includes:

- Linking the implementation plan with reforms within the public sector
- Incorporating and consolidating existing monitoring and evaluation initiatives with the GWM&E framework
- The stakeholder's roles and responsibilities must be visibly defined and related to their mandates
- The plan adopted during implementation process should involve different approach across government sectors and spheres
- In a situation where the information technology supports monitoring and evaluation systems, strategies, structures and processes, then the emphasis focuses on the comfort of data interchange and systems integration
- The implementation of statistical standards and improvement of knowledge are vital pre-conditions for effective monitoring and evaluation
- Systematic assessment and implementation plan against indicators.

7.9 Results - Based Monitoring and Evaluation for SMEDAN

The complexity of events and occurrences on daily basis in our society today have compelled citizens, NGOs, media, civil society, citizens group/forums and other key stakeholders to put pressure on government and its institutions to be more responsive and proactive in improving the public sectors through reforms and transformation initiatives. The reformation of the public sector for a better and enhanced service delivery requires commitment, good governance, accountability, collective responsibility and transparency from government and public institutions. According to World Bank (1997:15), good governance is vital to development and not luxury. Therefore, the plea for good governance by citizens especially in developing countries have reached a climax due to the facts that government have failed to optimally deliver essentials services. Policymakers, decision makers and government officials need essential tools for tracking progress reports of programmes, policies and projects to determine the impacts and progress thus far. Results-based monitoring is termed as a non-stopping procedure used for gathering data and information using essential indicators, hence relating the actual results to anticipated results whereas result-based evaluation encompasses the procedures involving the assessment of on-going or finished programmes projects or interventions as planned to determine its impact, significant, effectiveness, efficiency and its sustainability (World Bank 1997). The

results-based approach entails the processes required to achieve desired goals and objectives. It connotes efficiency and effectiveness.

Results-based monitoring and evaluation is a public management tool to continually track progress and validate impacts of programmes and projects (Kusek and Rist 2004:01). Results-based monitoring and evaluation focus more on outcome and impact compared to the traditional monitoring and evaluation approach that emphasises more on input and processes. To build and sustain a results-based monitoring and evaluation system involves never-ending commitment, resources, efforts, time and champions. It looks or appears difficult but achievable at the long run. Result-based monitoring and evaluation react and assist in answering the following questions;

- What are the organisation's goals and objectives
- Are they attainable within the stipulated time or have been achieved?
- How do we prove the achievement thus far?

According to Kusek and Rist (2004) as sighted in World Bank Group publications in 2014, results-based monitoring and evaluation encompasses the following attributes:

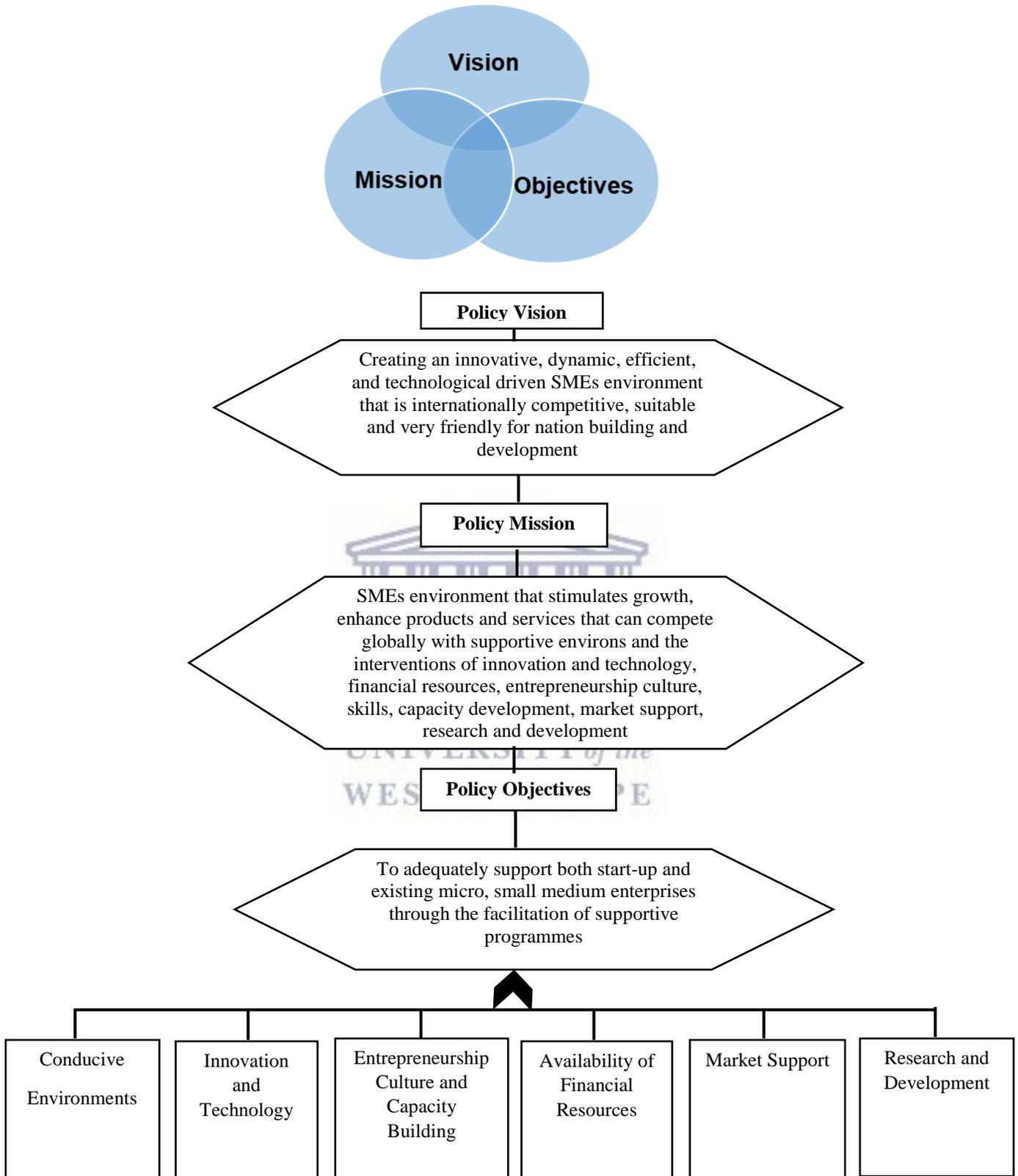
- Provision of useful and vital information pertaining to public sector restructuring and performance
- Result-based monitoring and evaluation enhances credibility and creates public assurance through the process of reporting results of events vis-à-vis programmes, policies and projects.
- Result-based M&E centres on accomplishing outcomes and impacts which are more significant to the institution, stakeholders and the public at large in terms of achieving the desired goals and objectives
- Result-based monitoring and evaluation is accurate and timely in nature, hence provides the necessary information for employees and allows middle, top and senior managers to identify weaknesses and take appropriate measures to rectify the weakness as soon as possible
- Result-based monitoring and evaluation are regarded as essential components of government structures to make well-meaning decisions
- Lastly, result-based monitoring and evaluation encourage and supports responsibility, accountability hence increasing results within institutions and establishments to enhance efficiency and effectiveness.

Table 7.5: The features of results-based monitoring and evaluation of programmes

Monitoring	Evaluation
Monitoring helps in clarifying the programmes, policies or projects objectives	Evaluation assist in analysing results and why results were not met or achieved as at when due or stipulated period
Through monitoring, activities can be linked with resources and objectives as well.	Evaluation measures detailed supports and assistance of various activities to projected or planned results
Monitoring interprets programmes, projects, policies and objectives vis-à-vis performance indicators, the baseline and set targets	Evaluation helps institutions, establishments and agencies through the examination of implementation processes
Monitoring helps with the process of data collection on a routine basis, then comparing data collected with the set targets and results.	Evaluation helps with the procedure of exploring unintentional results
Through monitoring, progress made thus far are easily reported to managers and their superiors hence informs them about problems	Evaluation offers improvement and recommendation on programmes, projects and policies embarked upon by institutions and establishments

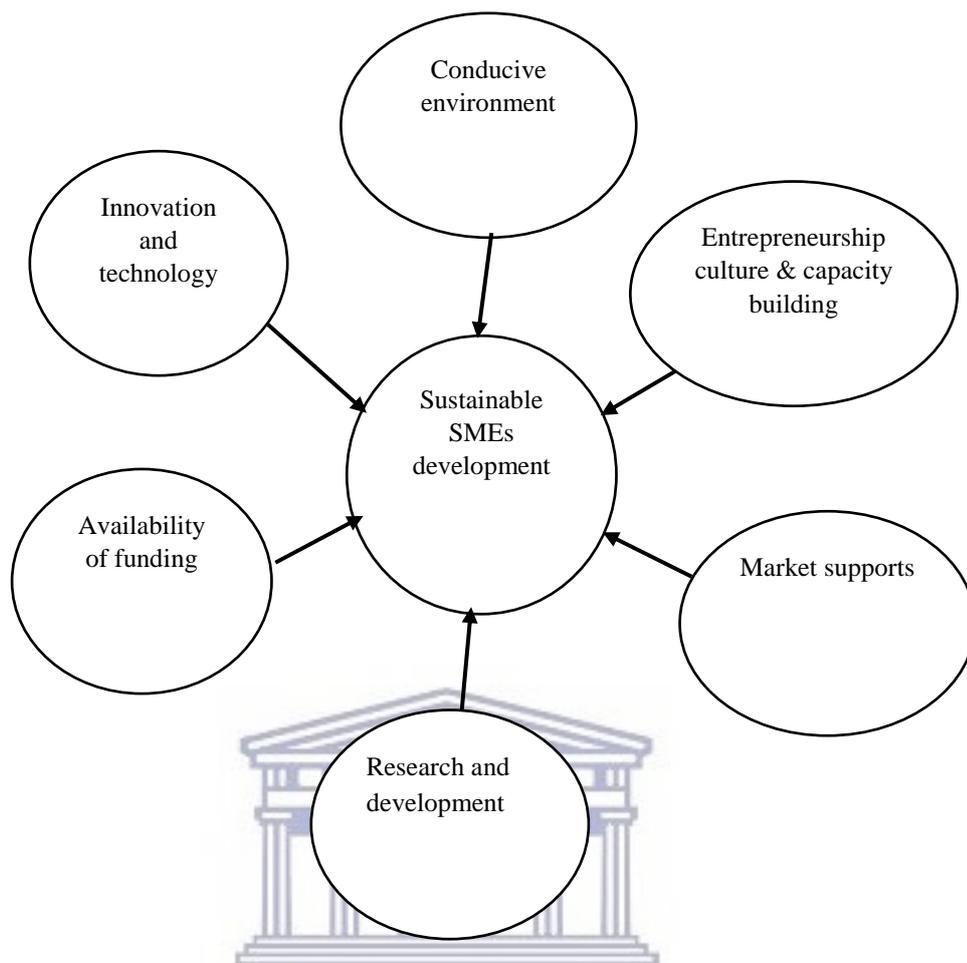
Source: Researchers configuration adapted from Kusek and Rist (2004)

Figure 7.5: SMEs Development Policy Framework matrix for SMEDAN



Source: Researcher's configuration 2016.

Figure 7.6: SMEs Intervention Strategy Matrix for SMEDAN



Source: Researcher's configuration, 2017.

Figure 7.5 and 7.6 represents small medium enterprises development policy framework and the intervention strategy matrixes respectively. They are both interrelated and speed up the policy intervention programme of SMEDAN and once embedded, it enhances the agency's effectiveness and efficiency since the intervention programmes synchronise sustainable small and medium enterprises development and are linked to the vision, mission and objectives within the matrix. Therefore, the researcher suggests that it is extremely important for SMEDAN to utilise, adopt and indoctrinate the intervention strategy mix and SMEs policy framework matrix within their system as an operational guide.

7.10 Developing Monitoring & Evaluation Framework for SMEDAN

The findings from this study revealed the colossal roles and contributions played by SMEs sector in developing the economy at large. Despite the contributions and impacts of the informal sector to nation building and economic sustainability, there are internal and external trials inhibiting the coordinating institution, SMEDAN in carrying out their task and responsibilities in fulfilling the mandate of the agency. The researcher affirmed that it is essentially important for SMEs sector in Nigeria to fully achieve its potential. Therefore, to achieve these potentials, the coordinating agency of SMEs in Nigeria, SMEDAN and the national MSME policy framework needs to create an enabling business environment with the availability of resources, infrastructure and the capacity required to sustain and transform the sector successfully.

To accomplish these tasks, the researcher suggested a new policy framework with three concepts namely; policy vision, mission and objectives. These concepts will foster and encourage all the key stakeholders by identifying their roles, responsibilities and engagements, hence achieving their potentials through stabilizing the economy vis-à-vis innovation, employment creation and sustainability of the economy at large which is in line with the nation's Vision 2020 Plans and the Millennium Development Goals Strategy on employment generation and poverty reductions amongst Nigerians. Going forward, the researcher acknowledged the need to design a new SMEs policy framework matrix, SMEs intervention strategy matrix and a results-based monitoring and evaluation system for SMEDAN with a score-sheet that is operational, effective and efficient required to build a structured MSME sector that will increase sustainable socio-economic transformation in nation and position Nigeria's economy as top 20 emerging economies globally. The reason for the development of this concept is that the existing national M&E framework anchored by the NPC is not participatory and not decentralised as proclaimed in their report. Therefore, the development of a new M&E framework will effectively accelerate SMEs development when it is embedded, fully implemented and utilized as a routine procedure within SMEDAN.

The agency since its establishment in 2003, have no valuable and concrete tools, that is, a monitoring and evaluation framework required to determine and measure the agency's programmes to ascertain achievements made so far and determine if the goals and objectives were fulfilled or not. Facts gathered by the researcher revealed

that SMEDAN projects and programmes were not documented conceptually with any visible defined results chain and logic. The indicators required for measuring results, monitoring performance plan were not in place, and the tool required to assisting in determining the impacts, effectiveness and sustainability of projects were also missing. The researcher acknowledged from first-hand information that the agency adopted the old-fashioned approach known as “inspectorate department” for monitoring and evaluation department. The agency staff within the inspectorate department has no basic knowledge, techniques, skills and understanding of how to implement M&E activities effectively and efficiently.

The Millennium Development Goals Strategy initiatives and Vision 20:2020 agenda to reduce poverty and enhance the macroeconomic development of the nation’s economy led to the development of a National Monitoring and Evaluation Framework under the administration of a former President of Nigeria, Chief Olusegun Obasanjo. The administration made a progressive effort and the National Monitoring and Evaluation Framework was orchestrated by the National Planning Commission in 2010 (National Planning Commission Performance, Monitoring and Evaluation Report 2010). The NPC made significant efforts by bringing all Federal Ministries, Departments and Agencies together within a short period, through collation of data, information with specific reference to MDAs key performance indicators and linking them with MDAs strategic outcomes using numerous processes, analyses and qualitative methods.

Evidence showed that the preparation of the first ever M&E report encompasses all the sector of the national economy and the process was cumbersome with a lot of challenges and gaps. The report ended up being ineffective, inaccurate with a lot of missing information from various MDAs. The benchmark required and the guiding M&E principles that underpin the report were not duly abide by. The process of generating the report were not participatory because key stakeholders were not involved, some of the information supplied were based on assumption, some MDAs have no knowledge, the necessary skills and vital information to effectively execute monitoring and evaluation activities. Also, the KPIs were not in conformity with international best practice as data collection failed to meet the SMART criteria vis-à-vis; specific, measurable, attainable, and relevant as well as time bond. They are critical to generating M&E report, therefore, the report submitted to NPC as at the time of preparing the report were not conventional.

Firstly, the argument according to the researcher focuses on some facts published by National Planning Commission's M&E report published in 2010, emphasizing the full ownership of Ministry, Departments and Agencies M&E templates by working with the monitoring and evaluation units while the states and local governments within the nation are responsible for M&E and must track their inputs, outputs, outcomes and KPIs to reflect at national level. SMEDAN has no monitoring and evaluation framework that guides their operations and the agency's M&E unit until date is not effectively and efficiently operational before the publication of the National Planning Commission's M&E report in 2010. According to the Monitoring and Evaluation Performance Report (2010:72), SMEDAN failed to provide detailed information, facts, data, reports, achievements and performance (KPIs, baseline as against their target) for publishing the national M&E report. Facts findings revealed that after 9 years of SMEDAN existence, March 2011 to be precise, led to the transformation of the old-fashioned inspectorate unit to the new monitoring and evaluation unit.

The transformation process according to a bulletin published by SMEDAN in 2013 began with a volunteer, Gordon Wanzare from VSO Kenya (international development charity organisation). Gordon with a background experience in micro and small business management, M&E skills and knowledge, strategic planning and development was hired by SMEDAN management as M&E Advisor for a period of 24 months. During Gordon's engagement with SMEDAN, monitoring and evaluation techniques, developing a useful method for M&E results for advocacy purposes, M&E feedback, capacity building, intervention, and requirement logic, designing & building result-based M&E as well as needs analysis and assessment forms part of the training offered to SMEDAN staff. The conclusion of the consultancy services rendered by Gordon Wanzare led to the creation of monitoring and evaluation unit within SMEDAN. According to Kusek and Rist (2004), an effective and efficient M&E system requires ownership, management, credibility and maintenance. Without these features, a results-based monitoring and evaluation of programmes and projects will be difficult to accomplish.

The scenario that transpired between the NPC and SMEDAN with regards to the collection of information, data and KPI for the M&E report according to the researcher is a testimony that the results were not truly the reflection and position of

some MDAs especially the SME sector coordinated by SMEDAN. The reports published were fabricated and not a true reflection of the situation at hand then. Until date, aside from the performance national monitoring and evaluation report prepared in 2010 by NPC across all sectors of the economy, the researcher acknowledges that 7 years after, no other report was prepared or published. Fact-findings from the researcher revealed numerous challenges, many gaps identified when designing, and preparing M&E framework/systems. They include the following:

(1) Ineffective monitoring and evaluation structure and system within NPC

Designing, building monitoring and evaluation system that is result based oriented for SMEs development in Nigeria require not only the involvement and participation of key stakeholders but also an enormous task that cannot be underestimated. SMEDAN as at today has no structured and efficient M&E unit in place according to the research findings hence the effective M&E system is sophisticated, very demanding, challenging and complicated as well. The need for detailed, vital information and data are necessary and required so that monitoring performance and taking complete ownership of such system will be easy to run and manage with timely reporting. NPC monitoring and evaluation framework are not effective, not well structured and well organized and as such the M&E unit within the SMEDAN has no link and synergy with the NPC framework. For an institution to have a strong and reliable M&E structure in place; the relevant agency should be involved and the task should be decentralised from the institutions involved. The researcher affirmed that the National Planning Commission's M&E system is weak and has no capacity to effectively monitor and evaluate SMEDAN programmes and projects, due to non-involvement and participation of SMEDAN in the designing process.

(2) Lack of stakeholder commitment

Commitment and inclusiveness are fundamental to the success of programmes, projects and policies. The NPC participatory process of involving SMEDAN and other relevant stakeholders were not inclusive enough for the national M&E performance report hence the researcher perceived that stakeholders were not keen and committed with M&E hence policy planning, long-term economic and strategic forecasting becomes an issue and thus institutions find it challenging. For a system to be well established and achieve its goals, a good number of stakeholders across board must be keen and interested. When staff and employees are not committed to carrying out a

task assigned to them effectively well in an institution or establishment, then results are not likely to be achieved which apparently was the scenario that transpired between NPC and SMEDAN because of non-commitment and involvement. Most successful projects, programmes and policies were doable because of total commitment, participation and engagement.

(3) Weak institutional capacity

The Small Medium Enterprises Development Agency of Nigeria lacks institutional capacity, the willpower which apparently slowdown the improvement of monitoring and evaluation system. Lack of cooperation and coordination amongst ministries, establishments and other specialised agencies obstruct development, especially during strategic planning procedures. SMEDAN has no parallel link with the activities of the National Planning Commission (NPC). The researcher affirmed from SMEDAN staff that the agency has no corresponding link with the M&E framework designed by NPC as it was only on white paper and they have no synergy rather SMEDAN coordinates their programmes and projects from the agency M&E unit embedded within the SMEDAN, which is the ineffective and traditional approach.

(4) Inappropriate, ineffective and weak institutions without good reforms

The success of monitoring and evaluation depends on the various reforms vis-à-vis regulatory, legal, and administrative and civil service reforms within government ministries, departments and agencies for effective and efficient service delivery. Monitoring and evaluation system is often challenging. Therefore, instituting well-established reforms and basic groundwork which is termed as modern implementation and dedicated monitoring and evaluation system will adequately support and serve as a guide for policymakers in undertaking the right and best reforms, so as to fulfil SMEDAN mandates and meet their set-out targets.

(5) Lack of understanding of the National Monitoring and Evaluation Framework

The Nigeria Vision 20:2020 is an invention that involves participatory processes from all stakeholders of which the M&E structure and knowledge were extensively publicised and circulated. Nevertheless, the majority of the MDAs including SMEDAN have no clear understanding of the framework, the KPIs and unaware of their own roles and responsibilities. They failed to make vital internal planning,

collecting and gathering relevant data and information that is reliable with the National M&E framework of the Vision 20:2020. According to the National Planning Performance, Monitoring and Evaluation Report (2010:72), during the period under review, the progress and accomplishments report of SMEDAN against sets target were not available and not effectively captured to the National Planning Commission programmes. This is an affirmation that the agency is completely isolated and not answerable to NPC mandates and programmes.

(6) Difficulty in understanding monitoring and evaluation terminologies

It is an immense task for SMEDAN employees especially workers within the M&E unit to clearly understand the concepts and terminologies of results- chain such as inputs, activities, outputs, outcomes, and impacts. These are characterised as monitoring, evaluation processes, and basic language. According to the researcher, SMEDAN staff experienced momentous and technical trials in interpreting monitoring and evaluation terminology abstract into contexts. In most cases, there are huge gaps, and indeed failures for MDAs workforce to clearly define M&E roles and responsibilities. In addition, the roles and responsibilities of planning, research and development as well as support teams within government establishment in identifying results amongst MDAs to report to, were completely problematic.

(7) Inappropriate data and information for monitoring and evaluation purpose

The successful implementation of the M&E processes and achieving its purpose within ministries, departments and agencies require appropriate and useful information available for M&E consumption purposes. Information and data must be accurate and suitable for its use and purpose as at when due. Often, units, departments and ministries responsible for collecting information and data required for M&E purpose especially within SMEDAN provides inadequate and limited data and some are atimes based on assumptions. It is necessarily important for the National Bureau of Statistics (NBS), other related bodies responsible for generating data and information for MDAs for M&E purposes to have an established and well appropriate statistical and budgetary system for appropriate, quality and quantitative data. In addition, information and data must be available, accurate and updated always.

(8) Inexperienced human capacity and technical know-how within the workforce

The researcher observed that majority of the personnel within the M&E unit of SMEDAN are not only inexperienced, but some of them have no clear understanding of basic monitoring and evaluation concepts, technical know-how for institutional development and technical assistance when it comes to M&E hence, SMEDAN staff do not understand the national M&E framework developed by NPC and as such, it affects them and they cannot effectively carry out their task. According to Kusek and Rist (2004:33), human capacity within the workforce desired development, sustainability, supportive measures within the entire system. SMEDAN officials and workforce within M&E unit and other units with other institution need training especially in monitoring, evaluation, modern method of data collection and data analysis so that they can have the basic knowledge and skills required to effectively run the M&E unit appropriately well.

(9) Inadequate Funding/ resources

Monitoring and evaluation require adequate funding and resources to carry out and execute task effectively and efficiently. One of the major constraints inhibiting the NPC is underfunding and inadequate resources and work force. The budgetary allocations meant for the institution were not only short funded rather delayed due to socio-economic factors. Monitoring and evaluation require field tours/ inspection of programmes and project off sites, which require abundant resources, skilled labour to mention a few. Many times, limited resources and underutilization of the limited resources within their reach obstructs M&E programmes. The researcher affirmed that preparation of the report requires colossal task and tied to funding for proper execution. One of the main factors that affect the report was resources and it forms a huge gap during the process of preparing a report and it led to a major setback in generating up to date and well-prepared report.

In relation to the challenges highlighted above, Allen-Ile, Kanyane & Ile (2015:64) in Kusek and Rist (2004), itemised quite numbers of trials that may possibly affect the efforts in sustaining monitoring and evaluation system within MDAs to include the following:

- The needs for workforce training;
- Changes in the legislative precedence;
- How to maintain the indicators steadiness over period of time;

- The documentation of task and who to carry the task out;
- Resistance and fear from managers and administrators;
- Accumulation of outcomes across the programmes, projects and policy;
- The participation of other tiers of government as well as the private sector;
- Political interference and legislative related issues.



Table 7.6: A Comprehensive Monitoring and Evaluation Framework for SMEDAN

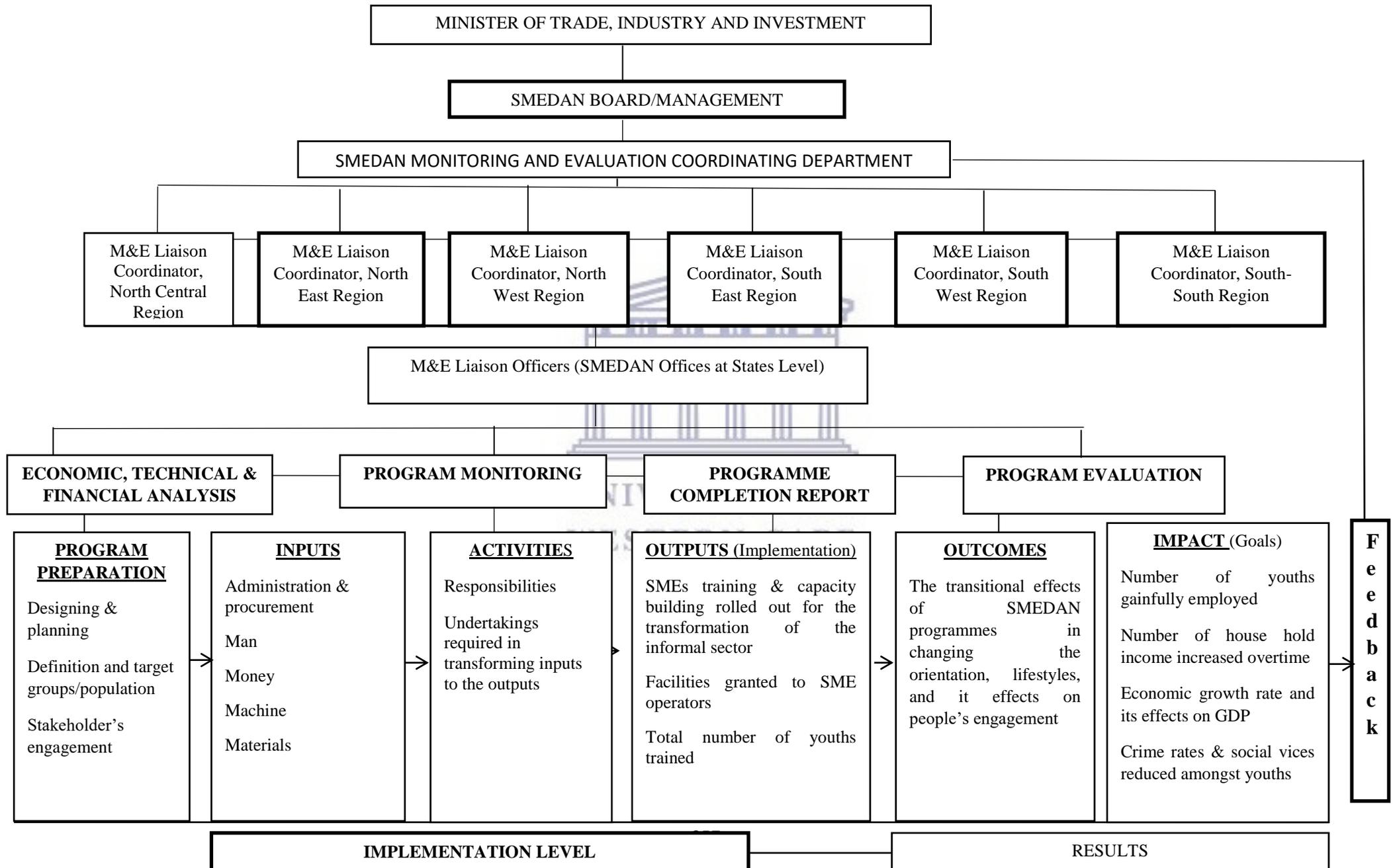


Table 7.7: Monitoring and Evaluation Programmes/Projects Score-Sheet for SMEDAN

Institution Name	Key Performance Indicators(KPI)	Strategic Drives	Strategic Outcomes	key Performance Indicators Baseline		Budget	
				Baseline	Actual achievement for the year	SMEDAN Planned budget(Nm)	Budget released to SMEDAN (Nm)
SMEDAN	SMEs support facilities and capacity building amongst existing and potential entrepreneurs in Nigeria	Viable economic development and growth	Sustainable macro economy	Projected number of training/skills development/acquisition centres established, the number of training/workshop and business clinics projected to execute within the financial year period	% or total number of entrepreneurs trained & gainfully secured (self) employment within the financial year-end. The total number of established skills acquisition centred and optimally functioning	Amount set aside for the programmes/projects	Amount disbursed

SMEDAN	Funds availability and accessibility to existing and potential entrepreneurs	Poverty eradication	Sustainable livelihood and empowerment	The actual amount budgeted by SMEDAN to finance its programmes. Partnership with financial institutions, SMEs financing scheme established for SMEs operators at lower interest rate	% of fund disbursed to entrepreneurs and total number of entrepreneurs who benefitted.		
SMEDAN	Enabling operating environment for SMEs growth	Rapid development and transformation of micro, small and medium enterprises sector	Sustainable socio-economic development	MSMEs policy supported, coordinated through simplification of SMEs environment Involvement and strengthening relationship with public-private partners to ease business development for SMEs	MSMEs policy, regulatory & legislative framework influenced by SMEDAN. Enabling business forums, the network held in partnership with NGOs, civil societies and donor agencies to support SMEs development	Amount set aside for the programmes/projects	Amount disbursed

SMEDAN	Innovation and technology	A Strengthened SMEs sector that is sophisticated technologically and can fully compete effectively well in a globalised economy	Effective and efficient SMEs sector	Technology and network training with research institutes set aside for the transformation of informal sector Actual number of SMEs that will be captured on the agency online database and other systems within the nation for simplified business processes and transaction.	Number of entrepreneurs captured on data based on easy business transaction in a globalised economy. Total number of SMEs engaged with IT related institutes for capacity development.	Amount set aside for the programmes/projects	Amount disbursed
SMEDAN	Research and development	Market support and development of the informal sector	Enhanced competitive market (local & globally) and increased GDP	Business incubators proposed to be established, the total number of business linkages planned to engaged with vis-à-vis trade associations, chambers of commerce and industries, business networks set aside to	The number of business incubators established, total number of business linkages, trade association, chamber of commerce and industries	Amount set aside for the programmes/projects	Amount disbursed

				discuss and engage with to mention a few	engaged with during the financial year for the transformation of SME sector		
--	--	--	--	---	---	--	--



UNIVERSITY *of the*
WESTERN CAPE

7.11 Discussion of Monitoring and Evaluation Framework Designed for SMEDAN

Firstly, to achieve excellent programmes/projects, institutions need to develop a system. Monitoring and evaluation systems according to Ile et al (2012:91), within an institution, establish explicitly how anticipated results are being comprehended through developmental programmes or projects. The researcher emphasised that with ownership, maintenance, management and credibility in place, a monitoring and evaluation system with a participatory method that incorporates the concerns and ideas of all stakeholders buy-in will effectively equip the system and accelerates projected results. Consequently, the procedure required in building a good M&E system is designing M&E framework. A framework is literally considered as a planning tool. The question of who, when, what and how is addressed by the framework and it encompasses two complementary parts and components namely; a graphic sketch of how monitoring and evaluation activities of a project or programme are being undertaken and a tabular component. Empirical findings from this study revealed that SMEDAN has no framework embedded within the M&E. It is in this context; the researcher proposed and designed a monitoring and evaluation framework as shown in Figure 7.5 for SMEDAN to use in order to achieve its mandates effectively.

The mechanism required for the coordination of M&E framework is entrusted on SMEDAN monitoring and evaluation department headed by M&E Director with the support of various stakeholders and actors required and involved in the planning and implementation processes. The responsibilities of the M&E Director involve the following; coordinating M&E processes at regional level spread across the six geopolitical zones and preparation of the annual M&E report. At regional level, the coordinators activities encompass the following; coordinating M&E through the preparation of zonal activities report and preparation of scorecards and submission of the scorecards to regional office. Similarly, each state M&E officer coordinates activities at state level then report their activities back on monthly basis through the scorecard, then send it to the regional office. This process encompasses a chain of leadership from the top level to bottom level, defining tasks and responsibilities, (putting into consideration, responsibility, accountability and participatory approach) duly are promptly carried out, delivered with supportive feedback through well-

defined and detailed structures with institutional policies, systems and procedures that enhances personnel performance and improve SMEDAN set goals and objectives.

7.12 Discussion of the Result-Chain Analysis Designed for SMEDAN

The result chain enunciates exactly how numerous structures within the process transmit and relates into one another for generating anticipated results effectively and efficiently. The use of result chain concept in monitoring and evaluation is strictly part of global best practices hence a good M&E framework requires result chain for desired results. The result-chain concepts for programmes and projects are not only to ensure stakeholders participation in carrying out task and responsibilities effectively well to achieve the desire results but to ensure a result-based M&E process as extensively discussed by the researcher in section 7.9. The result-chain reflects the roles and responsibilities played by the organisation including the period of the task because it involves implementation (efficiency and effectiveness) and the results attained at the end. The following concepts; economic, technical and financial analysis, programme monitoring, programme completion report and programme evaluation precede the result chains (inputs, activities, outputs, outcomes and the impacts) from the diagram.

The researcher highlighted that the programme preparation involves the first stage of the programme/project vis-à-vis planning, designing delineating the programme with the involvement of the stakeholders at the planning stage putting into consideration financial, technical and economic analysis. The early involvement of stakeholders in the projects and programmes determine how successful it becomes at the end. Therefore, SMEDAN should ensure that the programme preparation involves key and relevant stakeholders (SME operators). The programme monitoring speaks about the inputs and activities within the result chain which had earlier been discussed in this chapter by the researcher, the inputs comprise the 4M – man, money, machine and materials and are required for completion of the project/program. The input is significant to the program/project, without adequate resources, duly utilized and implemented for its purpose, the probability that the project/programme will be executed is not definite whereas the activities involve the procedures, operations, actions, methodologies and the undertakings employed by the project or programme in transforming inputs to outputs. The quality of services rendered or goods fashioned

out within the programme/projects with the sole intention of achieving the desired change (outcomes) refers to the output. The diagram specifically indicates SMEDAN outputs as programme completion report and is characterised as the facilities granted to SME operators, total number of people (unemployed youth) trained and empowered, enabling business environment created and lastly, facilities rolled out for transforming the informal sector of the economy.

Programme evaluation according to the researcher is labelled as outcomes and impacts, which translate to change. The outcomes are referred to as transitional effects that change lifestyles, people's orientations and engagement with reference to socio-economic, cultural, technological and institutional effects that contribute to advanced strategic goal known as impacts. In addition, the impacts of programmes/projects according to the researcher should be associated and linked with a long-term socio-cultural, institutional, environmental and technological attributes of SMEDAN result chain in the society or community either planned or unplanned with achievable results. Moreover, sustaining the programme/project indicates if, at all, the impact is maintainable, replicated and institutionalized after the program or project. Lastly, feedback is crucial within the framework. At each level, monitoring and evaluation require feedback into the system through reports and facts finding either monthly or quarterly to ensure responsibility, accountability and efficiency amongst the workforce. To achieve a result based monitoring and evaluation and to meet SMEDAN goals, man, money, machine and materials should be properly appropriated with the set targets that is timely and at each level, responsibility, accountability and participatory process must be strictly adhered to.

7.13 Discussion of the Score-Sheet Designed for Monitoring and Evaluation Programme

The score-sheet reflects SMEDAN performance analysis concerning the key performance indicators to meet the goals and targets set out for the year. The KPI helps to measure quality and quantity of services rendered via the projects and programmes embarked upon. In addition, the KPI helps to determine if the rolled out programmes are associated with, hence contributing successfully to the development outcomes. The score-sheet encompasses achievements, challenges, the planned activities and the risk factors. With regards to achievement, the score-sheet assist SMEDAN in the

identification of projects or programmes if it has been captured in the output or outcome key performance indicators while the planned initiatives vis-à-vis programmes and projects lined up for the coming year are clearly identified with related constraints and challenges that may affect the attainment of set goals, the outcomes within the reporting period in terms socio-economic, cultural, political, institutional and environmental related issues. Lastly, the risk factor assists in determining possible scenarios that may adversely influence and disturb forthcoming year planned programmes, projects and policies.

7.14 Discussion of Results-Based Monitoring and Evaluation

In this study, the researcher identified that SMEDAN has no structured monitoring and evaluation framework put in place for their programmes and the researcher designed a comprehensive M&E system that will support the agency activities in getting the desired results. The need for SMEDAN to deliver effective and efficient services necessitates a system that is reliable, timely, with adequate information on the projects, programmes, policies, skills, institutional capacity, experience and resources. Therefore, the capacity for SMEDAN to sustain a results-based system requires government support and an enabling environment for their operations. Other criteria include:

- Creating successful indicators: Data collected concerning indicators, baselines should be performance inclined, and managers responsible for data collection should be technically inclined with the necessary skills.
- The capacity for SMEDAN to technically measure and track the results chain vis-a-vis the inputs, activities and outputs are fundamentally significant hence, when they are successfully implemented and the outcomes, impact (goals) are sufficiently met, therefore sustaining a results-based M&E system is guaranteed.
- Valid data and information are prerequisite for sustaining a results-based M&E system, as established in this study by the researcher. It is momentous for SMEDAN to embed the statistical capability to collect, interpret and analyse valid data to get a first-hand and useful results.
- Well-resourced, knowledgeable and competent workforce: SMEDAN should ensure that staff within the M&E unit are technically competent and well-resourced to manage the system effectively well. The agency should regularly

send staff for capacity building and performance based M&E training. In addition to these, SMEDAN should collaborate with specialized agencies such as the World Bank, African Union, DFID, USAID, NGOs as well as alliance with government of other nations who are well grounded in M&E for technical support. This procedure will enhance performance and thus guarantee a results – based M&E system.

- **Accountability and transparency:** A system without transparency, accountability and taking full responsibility of actions will definitely fail to achieve its desired goals and objectives. For SMEDAN to get results well anticipated for as mandated by law every penny spent on programmes and projects rolled out must be accountable for. This procedure will sustain the agency's resources and increase service delivery. The process will facilitate results-based M&E within the institution.
- **Prompt feedback system:** The feedback mechanism in M&E is key and the researcher advised that SMEDAN should ensure a functional feedback system that will not only support the management of the agency rather policymakers and other relevant stakeholders. This approach will assist government to make well-informed and up to date decisions in the transformation and development of the informal sector. This feedback approach supports results –based monitoring and evaluation approach.

7.15 Chapter Summary

Chapter seven disclosed in-depth findings related to monitoring and evaluation of rolled out projects and programmes by SMEDAN to sustain and transform the informal sector of the nation's economy. The discoveries from this chapter encompass the following:

- The chapter revealed that the agency has no coordinated M&E framework and structure put in place to determine the effectiveness, appropriateness and sustainability of the programmes. As the sole institution recognised and mandated by law to coordinate, transform and develop the SME sector of the economy, it is appalling that SMEDAN till date has no structured M&E tool even though the agency has monitoring and evaluation unit. The National Planning Commission (NPC) mandated by government to prepare the National Monitoring and Evaluation report in 2010 affirmed in their report that there were

no qualitative data and information received from SMEDAN as a federal parastatal of M&E report. SMEDAN has a weak M&E system with no capacity to effectively function well.

- Stakeholder's exclusion: As a service provider institution, SMEDAN has failed to fulfil its mandate due to non-involvement of key and relevant stakeholders in making decision revolving the implementation of programmes and projects. Aside transparency, accountability and commitment which are key elements for delivering effective services, participatory approach that involves collective responsibilities is seen as central to effective service delivery but SMEDAN has completely side-lined stakeholders when issues affecting them and decisions involving them are discussed.
- Lack of monitoring and evaluation skills and technical know-how amongst staff of the agency is a big threat and hinders the M&E unit to function effectively well. The researcher discovered in his findings that SMEDAN's personnel have no formal background and training on monitoring and evaluation. Some of the staff sent for both in-house and outside training finds it difficult to understand how M&E functions. The staff have no idea of M &E concepts and designing a monitoring and evaluation framework to coordinate and monitor programmes and projects is herculean.
- In addition, SMEDAN employees especially workers within the M&E unit have no clear understanding of M&E processes and basic languages. That is the concepts and terminologies of results- chain vis-à-vis inputs, activities, outputs, outcomes and impacts. Also, the agency workforce has no idea and knowledge of terminologies like KPIs and score sheets
- Weak institutional capacity without good reforms amongst government institutions. Most of the government establishment has no institutional capacity to support their operations and reforms as well. The success of monitoring and evaluation system for programmes and projects depends on the various reforms vis-à-vis regulatory, legal, and administrative and civil service reforms within government Ministries, Departments and Agencies for effective and efficient service delivery. Without these reforms adequately put in place, an agency like SMEDAN will fail to deliver effective and efficient service as far as monitoring and evaluating projects is a concern.

There should be adequate resources available as at when due for SMEDAN so that the agency can perform well especially in areas of capacity building and training of personnel. It is therefore imperative for SMEDAN to educate their staff on M&E concepts and terminologies so that they can have a clear knowledge of how it operates. There is a need for reforms as well within the establishment to standardise monitoring and evaluation systems, as well as visibly defining responsibilities and roles of all key players and stakeholders in decisions that affect SME sector. Finally, bench-marking and a well-structured monitoring and evaluation system as well as work-sheet suitable and realistic for SMEDAN for coordinating the SME sectors and programmes in general forms the discussion of this section. The next chapter covers the conclusion, recommendation and views for further research.



CHAPTER EIGHT: CONCLUSION AND RECOMMENDATIONS

8.0 Introduction

The contribution of micro, small and medium enterprises sector is known for socio-economic transformation has long been recognised. This study examines monitoring and evaluation systems for the development of the informal sector of Ondo State economy, particularly SMEDAN related systems and operations in Nigeria as a whole. The role of policy, monitoring and evaluation in creating an enabling environment for SMEs development and transformation cannot be underestimated. Therefore, a nation's capacity to empower people especially youth with entrepreneurial skills essentially depends on obtainable systems, infrastructures, programmes and policies. The impetus for this research study embarked by the researcher arises from the perception that, after 57 years of Nigeria's independence from British Colonial Administration, little headway towards the development and transformation of the SME sector vis-à-vis investment opportunities, employment opportunities, products and services diversification and opportunities for international trade has been achieved in Nigeria. Hence, there is a need for effective monitoring and evaluation system, the flexibility of the various regulatory agencies and resourceful supporting environment for the informal sector. The summary of each chapter of this research study covers the next discussions

Chapter 1: This section justified the criterion for the whole study by critically exploring the research objectives and the research problem. The objectives of the study included:

- Developing a theoretical and legislative framework
- Discussing the role and relevance of SMEDAN in Nigeria
- Analysing the existing monitoring and evaluation framework for effective implementation of SMEDAN activities
- Identifying the challenges and opportunities for monitoring and evaluation improvement
- Making appropriate recommendations to SMEDAN for the implementation of results-based monitoring and evaluation system

The aforementioned objectives were firmly based on the research problems identified beneath;

- Unfavourable policies connected with poor capacity to develop, undertake programmes and projects that implement SMEs development
- High rate of enterprises mortality
- Poor infrastructural facilities
- Shortages of skilled manpower
- Multiplicity of regulatory agencies, transparency and integrity amongst government officials
- Restricted market accessibility and bureaucracy
- SMEDAN institutional frameworks procedure in terms of policy contents to support small and medium enterprises sector are not entirely innovative

The study revealed that ineffective implementation of government policies to support SMEs and entrepreneurship development coupled with non-innovative institutional framework embedded within SMEDAN extensively affects the growth and development of the small medium enterprises sector in Nigeria. The argument of this study centred on the assertion that government and stakeholders should primarily address these problems identified based on commitment, transparency as well as effective implementation of policies. The chapter also explained and described other concepts on SMEs in Nigeria.

Chapter 2: This section deliberated on the literature review, the conceptual framework of SMEs and theories that underpinned the study. The three theories discuss in this chapter namely; agency, knowledge management and stakeholders were analysed by the researcher and have been established to be the major models for philosophical discussion and research in public administration and management fields of study. The theories discussed provide a comprehensive and clear understanding of the nature of SMEDAN and other key relevant stakeholders. The chapter also emphasised and critique on developmental issues abounds the small and medium enterprises sector from pre-independence and post-independence era in Nigeria. The study went on to review literature on SMEs policy, implementation and challenges thereof.

The government intervention programmes to support the sector were discussed as well and major problems facing the sector were discussed further. The researcher further explored literature on small and medium enterprises and identified some gaps, which represent inefficiency, ineffectiveness, impact and sustainability. However, the researcher further argued that for all these systems to perform effectively and efficiently well, there is a need for effective and efficient monitoring and evaluation of small and business sector activities. The chapter proceeds further to extensively review relevant and current literature on micro, small and medium enterprises especially from Nigeria perspective and extensive discussions on SMEDAN. The researcher shed more light on various policies established by governments to support the informal sector of the economy hence literature on policy, development, monitoring and evaluation were discussed and the challenges associated with the development and growth of the SME sector in Nigeria thereof forms part of chapter two. The researcher deliberated on some criteria set by development agencies on policy, monitoring and evaluation in the study. Lastly, the researcher emphasised in the study that more need to be done on accountability, responsibility and policy implementation.

Chapter 3: This chapter examined the institutional policy and legislative framework put in place by policymakers and governments of Malaysia, South Africa, Canada, and Australia for the micro and small medium enterprises sector. The SME sector of the aforementioned nations has witnessed and achieved significant growth in the transformation of nations' economies. As highlighted by the Organisation for Economic Co-operation and Development (OECD), Australia economic outlook has a steady economic growth based on the contribution of a vibrant and friendly environment that supported small business development. The attributed factors to the success story of Australia SME sector can be linked to the policy framework developed to enhance the development of SME sector. So far, it is obviously clear that stakeholder's participation and implementation of policies in Australia drives SMEs forward. Similarly, the researcher reviewed South Africa SMEs sector and framework that facilitate the growth and transformation of the small business sector with specific emphasis on the impact of the apartheid regime in South Africa had in the development of the small-medium enterprise's sector due to racial discrimination. The researcher emphasised extensively more on pre and post-apartheid era concerning the

impact of policy formulation and implementation on SMEs development. In addition, the initiatives to develop the informal sector with policies that enhanced innovations, self-reliant, sustainability, entrepreneurship development amongst the people of South Africa formed part of chapter two. Institutional and legislative frameworks of small business development in Malaysia and the policy derived from the Organisation for Economic Co-operation Development (OECD) that focuses more on a competitive, dynamic and innovative SMEs formed part of the discussion in this segment. Government initiatives through the creation of an enabling environment and provision of infrastructures to boost the transformation of Malaysian economy for the purpose of being an industrialised country were highlighted.

Lastly, chapter 3 critically examined the Canadian SME sector alongside the contribution of government and other private partnership initiatives. The researcher disclosed that the small medium enterprises sector in Canada, have successfully created informal employment to its citizens, which have helped in generating job opportunities with self-reliant and self-independent. The policy framework promotes, facilitates and institutionalised SMEs in Canada. Since this study focuses on the analysis of monitoring and evaluation framework systems for SMEs development, therefore, the chapter examined and intensified more on the institutional policy framework of Australia, Canada, South Africa and Malaysia towards the development of the SME sector and justifications of each of the policy. Chapter three critically appraised each of the nation's SME sector because of its significance to nation building thus far so that Nigeria will be able to learn from their success story especially Malaysia that was in the same category with Nigeria few years ago in terms of socio-economic background, but today Malaysia have made significant progress.

Chapter 4: This chapter broadly discussed the procedure for collecting pertinent information and data for the study. Developing an effective monitoring and evaluation system for the SMEDAN for the transformation of the SME sector in Nigeria is subject to the following components: implementation of policy, oversight and accountability. Therefore, an appropriate research structure was considered for this study before a suitable approach was finally chosen. This study utilised mixed methodology (qualitative and quantitative) to gather and analyse information. This approach was very useful in attaining various methods of data and enhanced validity

and reliability. A mixed method approach, which uses questionnaires and interviews, was implemented in this study to collect information.

The choice of the mixed methodology for this study provided an opportunity for presenting comprehensive information and summaries with the use of figures and statistics. As such, questionnaires were distributed to respondents to get first-hand information from SME proprietors. Likewise, interview schedules were disseminated to staff members of the SMEDAN for additional information that supported this study. This process of gathering information allowed the inquiry of contextual veracities on the differences between what was pre-meditated and what happened in reality. This methodology also has the qualities of objectivity and respect for valid information and data. The limitations of using this methodology for this research have been discussed earlier however; mixed methodology demonstrated itself to be an effective and efficient approach.

Chapter 5: This chapter critically revealed the findings and analysis of issues related to SMEDAN oversight, efficiency, policy implementation and transformation of the informal sector of the economy in Ondo State Nigeria. The outcomes were contextualized and SMEDAN monitoring and evaluation systems for small medium enterprises development in Nigeria form the basic component of this segment. The findings are:

- Identification of MSME policy frameworks for roles and responsibilities embedded by SMEDAN in developing SMEs in Ondo State. The findings showed that the Micro Small Medium Enterprises (MSME) National policy framework for small medium enterprises have not been strictly adhered to optimally by SMEDAN despite the fact that the agency act as the solely responsible institution in implementing the policy as provided by legislation.
- SMEDAN inputs for SMEs development in Ondo State is not linked to MSMEs National Policy Framework development objectives. The MSME policy has seven broad programmes to support and sustain the development of small business sector in Nigeria, however SMEDAN initiatives in developing small business in Ondo State was not fully connected with the policy programme areas which includes: regulatory, legal and institutional framework, human capital resources

development, research and technology development, marketing, infrastructure, extension and support services as well as finance.

- SMEDAN have a weakened monitoring and evaluation department. The researcher identified incompetency amongst the agency staff with little or no idea of M&E skills. The agency had no effective monitoring and evaluation framework design for use. The roles and responsibilities of the agency M&E department in ensuring effective outcome and significant impacts of programmes and projects rolled out to support SMEs programmes in Ondo State were not achievable due to the disabled system put in place. SMEDAN monitoring and evaluation system are out-dated. Therefore, achieving results was a big challenge, which has influence in actualising the agency's mandate.
- The role of government, policymakers, key stakeholder's indecisiveness, lack of political will, and policies overlapped with other institutions to negotiate funds to support SMEDAN was another big challenge identified by the researcher. SMEDAN is mandated by legislation to facilitate and promote micro, small and medium enterprises development in Nigeria without financial backing to implement and facilitate the transformation of the SME sector. The agency operates without adequate resources. Other stakeholder's policy especially the Bank of Industry (BOI) clashes with SMEDAN mandate and initiatives. As such, there exist funding gap and bulk of SME funds such as Dangote Funds; MSME funds to mention a few were domiciled with the Bank of Industry, Central Bank of Nigeria. Accessing these funds by SME managers and proprietors were problematic due to bottlenecks, though policy requirements and SMEDAN has limited say on this because the funds are not within their reach despite the fact that legislation in Nigeria empowers the agency to facilitate, coordinate the development of SME sector.
- Inclusive, implementation of Micro Small Medium Enterprises Policy for small business development and transformation in Ondo State Nigeria were considered not to be effective and efficient with administrative bottlenecks from government and policymakers.

Findings from this study, as published by the International Bank for Reconstruction and Development/World Bank in 2005 acknowledged that results-based monitoring and evaluation criteria encompass accountability, transparency, efficiency, effectiveness,

relevance, impact as well as sustainability. Similarly, policymakers, public institutions, Non-governmental organisations, government and donor agencies need to be progressively receptive to both internal and external stakeholders to validate definite outcomes. From the researcher's point of view, projects and programmes are associated with precise objectives and the policy it intends to address. The effectiveness of a programme or projects as identified by criteria set aside by the World Bank and the OECD showed that policy implementation is effective when the set activities attained the set targets within a specific period. However, in this set-up, SMEDAN policy implementation was not effective due to the facts that numerous programmes and activities did not accomplish the set target of 100% within the definite period as mandated by the agency.

The researcher identified huge gap vis-à-vis SMEDAN inefficiency when connected with the agency resources and its results. Therefore, the findings revealed that the shortage of resources such as infrastructures, funding, mal-administration, inadequate M&E skills and policy implementation bottlenecks were part of the major reasons for SMEDAN inefficiency. The researcher in his findings explained further that the impact of SMEDAN programmes was not sustainable due to the facts that challenges associated with the inputs were not primarily addressed and resolved hence the outcomes of the programmes were not measurable. There was an urgent need for the agency according to the researcher to adopt the best international utmost practice. The agency should develop an institutional framework that is operationally aiming at the implementation of policy objectives that will enhance efficiency and effectiveness.

Chapter 6: This section revealed the findings of issues related to programmes implemented by SMEDAN in the transformation of the small medium enterprises in the nation. The findings revealed that the agency programmes towards transformation and development of the SME sector of the economy have not been effectively and efficiently accomplished in line to the mandate of the agency hence, small medium enterprises in Ondo State Nigeria still struggle to strive and grow. The findings include the following:

- The agency programmes are not known to members of the public except very few people and as such, people are unaware of the existence of SMEDAN. Despite the facts that the institution has a presence in the six geo-political zones and offices

across the 36 states of the federation, entrepreneurs and small business operators hardly know they are existing.

- SMEDAN major challenge according to this study was inadequate resources. The agency is incapacitated to discharge his duties and responsibilities as mandated by SMEDAN Act. The agency budgetary allocation by the Federal Government is not enough for running the agency. SMEDAN programmes and projects are short-funded, and the agency overdependence on budgetary allocation is a big challenge because often times, there is a delay due to beurecracy, government policies, other issues related to approval and availability of resources from the Federal Ministry of Finance disbursing funds. SMEDAN as a government institution doesn't generate fund internally, therefore it is a herculean task to function effectively and efficiently well when resources are not available.
- Another challenge confronting the agency capability to function well, fully implement its programmes, and project successfully is the non-implementation of MSME policy. The policy is confronted with vast problems such as lack of commitment from both local, state, the federal government, other institutions and establishments as well as poor buy-in amongst stakeholders (private and public establishments).
- SMEDAN monitoring and evaluation unit has a weak system. Apart from inadequate personnel with little knowledge of M&E skills highlighted in this study, the establishment has no standard framework used across the nation as well as a formal monitoring and evaluation framework used for its programmes and projects. The researcher observed that SMEDAN did not carry along all the relevant stakeholders especially the entrepreneurs/small business owners when deliberating on M&E and decisions related to programmes that will support SMEs development in the nation.
- SMEDAN does not use the participatory method in the impact evaluation of its programmes rolled out for SMEs transformation and development. Participatory monitoring and evaluation involve all stakeholders intensively participating in developing and implementing all portions involved in the evaluation of programmes, projects or a policy. Hence, decisions and other related issues regarding monitoring and evaluation should involve the responsibility of not only SMEDAN staff rather must be participatory involving all stakeholders.

Hence, the researcher suggested that the agency should adopt the best practices acknowledged globally with experiences from developed nations to transform the agency roles and responsibilities in terms of governance and service delivery. In addition, the agency should use and indoctrinate standardised monitoring and evaluation systems clearly defining responsibilities and roles of all the actors involved and ensure that all the stakeholders participate in decisions that affect SMEs sector.

Chapter 7: This chapter focussed on the discussions for monitoring and evaluation systems embedded within SMEDAN for the development of the SME sector. A review of the national monitoring and evaluation system put in place by the National Planning Commission, monitoring and evaluation system adopted by SMEDAN used in determining the effectiveness, appropriateness and sustainability of the agency programmes formed part of the discussions in this segment. In addition, an in-depth analysis of results-chain embedded in SMEDAN vis-à-vis inputs, processes, output, outcomes as well as impacts, which forms part of the discourse in this chapter. The discoveries from this chapter were as follows:

- Stakeholder's exclusion: As a service provider institution, SMEDAN has failed to fulfil its mandate due to non-involvement of key and relevant stakeholders in making decision revolving the implementation of programmes and projects. Aside transparency, accountability and commitment which are key elements for delivering effective services, participatory approach that involves collective responsibilities is seen as central to effective service delivery but SMEDAN has completely side-lined stakeholders when issues affecting them and decisions involving them are discussed.
- Also, SMEDAN employees especially workers within the M&E unit have no clear understanding of M&E processes and basic languages and terminologies like the score sheets and key performance indicators and the results- chain analysis vis-à-vis inputs, activities, outputs, outcomes and impacts. Also, the agency workforce has no idea and knowledge of terminologies like KPIs and score sheets
- Weak institutional capacity without good reforms amongst government institutions. Most of the government establishment has no institutional capacity to support their operations and reforms as well. The success of monitoring and evaluation system for programmes and projects depends on the various reforms

vis-à-vis regulatory, legal, and administrative and civil service reforms within government Ministries, Departments and Agencies for effective and efficient service delivery. Without these reforms adequately put in place, an agency like SMEDAN will fail to deliver effective and efficient service as far as monitoring and evaluating projects is a concern.

Going forward, the researcher affirmed that there was a need for policy reforms within the Federal Ministry of Trade and Industry and particularly SMEDAN to standardise monitoring and evaluation systems, visibly defining responsibilities and roles of all key players and stakeholders in decisions that affect SMEs sector. Finally, the section emphasised more on benchmarking, a well-structured monitoring and evaluation system, suitable work-sheet were basically essential and required for SMEDAN to effectively and efficiently coordinate programmes and projects within the SME sector.

Chapter 8: This section provided the conclusion, recommendations and prospect for future insights for this study. The thrust of this study, from the researcher's viewpoint, was "a critical analysis monitoring and evaluation systems for small medium enterprises; with specific reference to small and medium enterprises development agency of Nigeria."

8.1 Concluding Remarks of the Study Objectives

The concluding remarks of the study extensively elucidated the objectives of the study and are systematically explained in the next discussion.

8.1.1 Objectives 1 and 2

To develop a theoretical and legislative framework, discuss the role and relevance of SMEDAN in Nigeria.

The establishment of SMEDAN is to reposition and transform the informal sector of the nation economy by articulating policies that will significantly support SMEs growth through the establishment of a well-structured, effective and efficient sector. Concerning objective 1 and 2, this study underpinned and expounded more on suitable theoretical and legislative frameworks for SMEDAN use in fulfilling its mandate by transforming the SME sector. The theoretical framework that supported the study encompasses the knowledge-based management, stakeholders and agency

theories. The theories discussed provided a comprehensive and clear understanding of the nature of the Small and Medium Enterprises Development Agency of Nigeria and other key relevant stakeholders, which the researcher found out to be vital for SMEs development and growth. The management of knowledge assets provided small businesses new tools for survival, growth, and maintaining a sustainable competitive advantage based on the interest of the principal and it helped SME owners and managers to change their attitudes and think positively by adapting to new changes. In addition, the interface between a firm and those parties intertwined in its operations assist in making the right decisions to achieve the desired goals and mandates. Evidence from this study revealed the noticeable role and relevance of SMEDAN in the transformation of the economy especially in areas of entrepreneurship development vis-à-vis job creation in the informal sector of the economy. Lastly, critiques on developmental issues abound in the small and medium enterprises sector from pre-independence and post-independence era in Nigeria formed part of the discussion coupled with the challenges inhibiting the agency's success till date. Based on the following discourse, the researcher is of the opinion that the study objectives 1 and 2 were achieved.

8.1.2 Objective 3

To analyse the existing monitoring and evaluation for effective implementation of SMEDAN activities;

Objective 3 of this study was to analyse the existing M&E within SMEDAN for effective implementation of the agency activities. The researcher acknowledged there was no functional M&E system in place. Likewise, monitoring and evaluation framework embedded in SMEDAN was not well designed and as such, it was extremely difficult for the institution to achieve his goal and mandate with their existing framework. Fact-findings within this study revealed that staff of SMEDAN monitoring and evaluation unit have no formal idea and knowledge of how M&E systems operate and functions. Although, some of the staff claimed that efforts were on top gear by the agency under the new management to facilitate training on M&E with a suitable framework that will guide their operations but as at the time of this study, the management have not fulfilled the obligation as promised. The traditional approach based monitoring and evaluation still existed in SMEDAN and affected the agency performance and its capacity to determine the beneficiaries of its programmes

and projects. With reference to objective 3, the researcher affirmed that the objective was achieved.

8.1.3 Objective 4

To identify challenges and opportunities for monitoring and evaluation improvement;

The researcher discovered various factors affecting SMEDAN monitoring and evaluation department performances. The factors include the following:

- A modern approach of doing things as opposed to a process of improvement continuously
- Concentrating on activities without measuring the impacts as well as results of the activities
- Inadequate quantity, insufficient collection and analysis of data for improvement purposes, reporting, evaluating, and monitoring for the purpose of compliance instead of improvement purposes
- Planning and designing programmes are extremely poor
- Setting indicators, targets, models and logic within the system are extremely weak,
- The design, measurement and collection of data processes are weak,
- Lack of strategic plans and restructuring of models used for analysis of data as well as inadequate decision-making.

The researcher identified monitoring and evaluation improvement for SMEDAN readiness and assessment to involve diagnostic instrument specifically use to determine a results-based M&E system to include the following:

- Formulations of the outcomes as well as goals
- Selection of outcomes and indicators for monitoring purpose
- Collect the baseline information, put them together for the purpose of the present condition
- Targets should be set and met for specific purposes within a stipulated date or period of time
- Frequent collection of data, assessing them and to know if set targets are met
- Analysing and reporting of results

World Bank report published in 2005 disclosed that a result based monitoring and evaluation criteria encompasses accountability, transparency, efficiency, effectiveness, relevance, impact as well as sustainability. Similarly, policymakers, public institutions, Non-governmental organisations, government and donor agencies need to be progressively receptive to both internal and external stakeholders to validate definite outcomes. To achieve opportunities for monitoring and evaluation improvement and to meet SMEDAN goals, the researcher acknowledged that man, money, machine and materials should be properly appropriated with the set targets that is timely and at each level, responsibility; accountability and participatory process must be strictly adhered to.

8.1.4 Objective 5

To present a framework for monitoring and evaluation improvement;

The study critically examined monitoring, evaluation systems embedded within SMEDAN, and the research extensively affirmed the position of SMEDAN with reference to M&E framework. The study found out that the agency has no coordinated M&E framework and structure put in place to determine the effectiveness, appropriateness and sustainability of projects and programmes for the transformation of the informal sector. As the sole institution recognised and mandated by law to coordinate, transform and develop the SME sector of the economy, it was appalling that SMEDAN till date has no structured M&E systems and no functional tools despite the fact that the agency has a monitoring and evaluation unit. It was against this background that the researcher designed a monitoring and evaluation framework for effective, efficient and appropriate use of programmes and projects. In addition to this, the researcher designed a monitoring and evaluation score-sheet, the results chain analysis, matrix for SME development policy framework and SMEs intervention strategy matrix. These models will complement M&E framework for an excellent task to achieve SMEDAN mandates. A full discussion of the framework and models were clearly discussed in chapter 7.

8.1.5 Objectives 6

To make appropriate recommendation to SMEDAN for the implementation of result based monitoring and evaluation system;

The researcher developed a matrix for SMEs development policy framework, SME intervention strategy matrix, result chain analysis, scorecard sheet and a monitoring and evaluation framework for the use of SMEDAN to articulate and compliment the agency's programmes and projects for effective and enhanced service delivery and achievement of the stated mandate. The study hoped that the matrix, result chain analysis and framework developed for SMEDAN if strictly adopted and adhere to, with transparency, tracking of the key performance indicators, effective planning of budget, a conducive business climate supported by government, effective implementation of MSMEs policy with involvement of key stakeholders, then the agency's M&E system will satisfactorily function well, increase sustainability and it will enhance the transformation of the informal sector of the nation's economy at large.

8.2 Recommendations

This research comprehensively conveys some definite recommendation for the development and transformation of the SME sector in the nation's economy and they are categorised into two parts. The first section embraces the improvement and implementation of MSMEs policy, institutional profile that supports effectiveness and efficiency, accountability and responsibility, with oversight functions to achieving its potentials, while the second part expansively focuses on institutionalising results-based monitoring and evaluation within SMEDAN for enhanced service delivery within the informal sector that will boost socio-economic sustainability in Nigeria.

8.2.1 MSMEs Policy Improvement and Implementation

As discussed in this study, prior to independence in 1960, Nigeria was predominantly an agrarian state until the discovery of oil in the 1970s, which certainly transformed the nation economy and both the agricultural and industrial sectors, were totally neglected, which severely affected the enterprises sector leading it to sluggish growth. Since then, the nation's economy has experienced numerous socio-political and economic changes by different administrations. Fact-findings from literatures acknowledged that SMEs have been identified as an agent of socio-economic liberation and newly industrialised states. This is indeed a testimony of SMEs impact in the transformation of nations economy. Successive administration within a space of over 50 years has made remarkable efforts to facilitate and promote policies related

to SMEs and entrepreneurship development in Nigeria. As discussed in the previous chapter in this study, the government has launched several frameworks, policies, programmes, projects targeted at promoting, stimulating and developing entrepreneurial and SMEs sector in Nigeria, yet the nation has not recorded significant impact and transformation in the sector.

The researcher opined that the critical factors inhibiting the success of SMEs sector in Nigeria encompasses unfavourable operating environment without proper interventions from the government, inconsistency in policy-related issues and ineffective implementation of the policies that address the complete development of SMEs. As discussed in this study, although well over 21 SMEs and entrepreneurship initiatives/programmes/policies were established by past administrations to support the informal sector of the nation's economy from 1960 to 2012, only a few of these initiative exists and others crumpled without substantial evidence to support SMEs development. The existing initiatives were scrapped and others restructured. Yet, results are difficult to achieve as the informal sector remains floundered. The review of the MSMEs policy framework led to the commencement of some intervention programmes to support SMEs development and transformation through SMEDAN. In the face of reviewing the MSMEs policy framework, the poor implementation of the policy has resulted in a state of confusion, indecisiveness in decision making and lack of planning have weakened SMEs confidence on government capacity to implement its programmes.

It is suggested that SMEDAN link each objective/strategy of small business/entrepreneurship development policy/programme/project to inputs and enablers. Once policies are attached to inputs and enablers, it gives a clear direction, and the content of the policy addresses the goals and mandate required within a stipulated period. For example, the SME sector coordinated by SMEDAN appears to be structured around sub-programmes, but entrepreneurs and businessperson's basic needs do not essentially apt within the sub-programme types. The performance of a programme or policy should be tied to or linked to the impact of that programme or project within a specified period with a clear direction and specific need to get the results. A businessperson or entrepreneur who requires urgent capital for business development and growth does not necessarily need skills, capacity building and training at that particular period, but capital to add to the business. Similarly, a

prospecting entrepreneur with capital base might not necessarily need capital rather capacity building, skills and enabling the business environment to grow his/her business ventures.

SMEDAN depends solely on budgetary allocation from government and grants from donor/development agencies. The agency requires financial resources to function optimally. The agency infrastructure to turn around the informal sector are dilapidated without available funding as at when due. Other stakeholder's institutions such as the Bank of Industry, Central Bank, the Small, Medium Enterprises Equity Investments Scheme (SMEEIS), and donor agencies need to streamline their financial policy and make it stress-free for SMEDAN to access funds. The researcher emphasised the need for incentives to fund the agency because of the colossal responsibilities and tasks assigned to the agency. The agency needs financial autonomy and the act establishing its existence need amendment as a matter of urgency by the national assembly for adequate funding. The DG of the agency subscribes for financial independence of the agency and have debated this issue on many occasion. The capability of SMEDAN to function well depends solely on the volume of its financial base. This study holds the belief that this gap offers additional opportunities and openings than threats. For instance, to promote and facilitate development programmes in the SMEs industry and sub-sector in Nigeria requires funding, and all stakeholders need to support the initiative. The collapse of the agency's programmes was because of dwindling funding.

8.2.2 Institutional Profile that Supports Accountability and Responsibility

The deplorable position of the informal sector in Nigeria today can be linked to the deplorable performance of government and institutions responsible to oversee and manage SMEs activities as mandated by law. The provision of enabling business environment and the availability of necessary resources vis-à-vis 4M (man, money, machine and materials) play a pivotal role in transforming the informal sector of the nation's economy.

SMEDAN has to put together structures, resources with a clear mandate and directions within its scope, divisions, and units require to adequately fulfilling its vision, mission and mandates. The researcher revealed that accountability and responsibility support effectiveness, efficiency and transparency in any workforce.

Institutions without adequate measures and mechanisms that checkmates inefficiency, lack of transparency, non-performance of tasks and due diligent will definitely fail to render superlative service delivery with results.

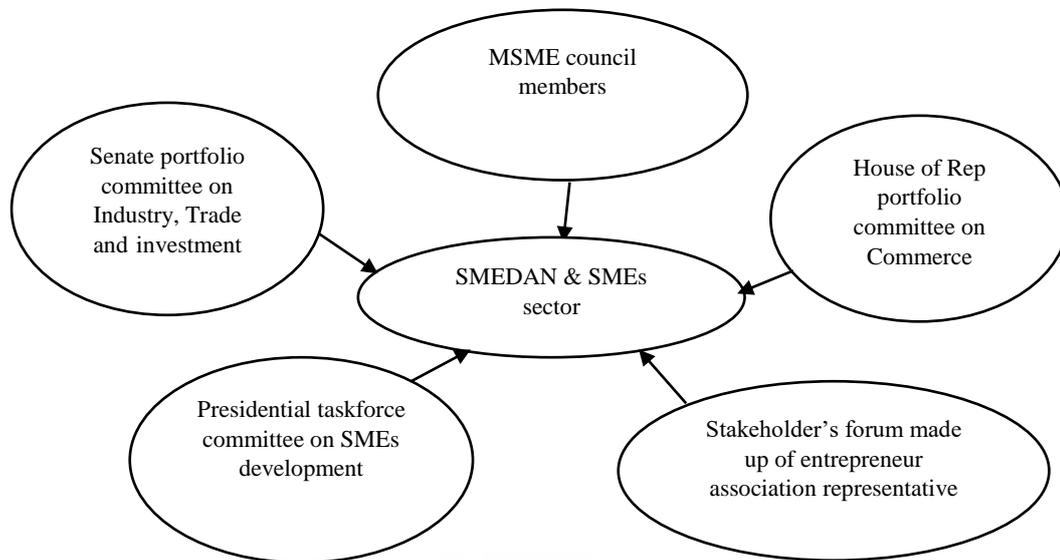
Therefore, SMEDAN should ensure openness, transparency and accountability in discharging its duties and responsibilities. Kusek and Rist (2004:21), stated that designing and building a reporting structure that produces a timely, reliable and useful information that supports the performance of projects, policies and programmes initiated by government institutions requires knowledge, skills, accountability and genuine institutional ability. The researcher opined that SMEDAN management must be accountable and take full responsibility. Leading by example through performance measures that will not only enhance capacity building rather sustain value for money and therefore improved service delivery to accomplish the goals and objectives of the agency. The next segment centred on oversight functions.

8.2.4 Oversight Functions for Service Improvement within SMEDAN and SMEs Sector

The Federal Ministry of Industry, Trade and Investment, the National Assembly Portfolio committees within the upper and lower chambers and the presidential task force on SMEs provides oversight function to SMEDAN. Evidence gathered from this study affirmed that the oversight functions of the designated structure for SMEDAN efficiency was completely negligible and deplorable with regards discharging of obligations and responsibilities. Certainly, the researcher observed that the careless approach of the oversight structures encourages inefficiency mal-administration, ineffectiveness, favouritism and corrupt practices within SMEDAN to perform exceptionally well.

The researcher found out that the national assembly legislative oversight functions were more pronounced on large medium industries especially manufacturing based industries with a lesser amount of attention to the SMEs while other oversight structures occasionally meet to exercise their task diligently. Another concern identified was that oversights functions were never given equally to all sector of the economy as attention was shifted to some areas than others. The researcher canvassed for the urgent need for an efficient structure that is result and goal oriented, hence will ensure productivity and results in the informal sector of the nation economy.

Figure 8.1: Recommended Structure for Efficient Oversight and Accountability for SMEDAN



Source: Author's configuration.

From the researcher's point of view, appropriate oversight functions require a first-hand knowledge and information about SMEDAN mode of operations and a wider scope of the SME sector. The SME sector is a sensitive sector that needs experts and technocrats with the practical expertise. The calibre of individuals made up of the oversight structures especially from the national assembly and presidential task force committee are politicians without clear knowledge and understanding of how the sector operates. Figure 8.1 shows the new proposed components of the oversight structure recommended by the researcher to include the MSME council members and stakeholders' forum comprising entrepreneurs and businesspersons' representatives. The inclusion of these two groups was based on the fact that; they are stakeholders with a first-hand knowledge of the informal sector operations which will help to sanitise the agency, ensure the provision of appropriate indicators to turn around the agency and the entire sector at large. In addition to this, the inclusion of these two entities will ensure robust oversights, responsiveness, good service delivery, compliance, due process, effective monitoring and proper enforcement of MSMEs policy as at when due.

8.2.5 Institutionalising Results-Based Monitoring and Evaluation within SMEDAN

Well-structured and conceptualised programmes, projects and policies without adequate monitoring and evaluation intervention system in place will count for nothing with little or a less significant anticipated result which was the case of SMEDAN as revealed in this study by the researcher. The development of an M&E framework for SMEDAN use by the researcher is termed as an organisation tool useful for decision makers, employees to track programmes and projects progress. The researcher disclosed that institutionalising a results-based M&E systems, an approach that is far different from traditional based method substantially involves the demonstration of the programmes and projects impacts which involve judicious commitment and utilization of time, individual/team efforts and resources with transparency, accountability as watchword and unalloyed support from government and external stakeholders in order to accomplish improved performance and achieve the desire results. Going forward, the researcher recommended the following processes for SMEDAN to build and sustain results based M&E system for its programmes and projects.

- SMEDAN should first conduct an assessment readiness: To build an effective system that is result based requires readiness assessment, which is very critical. There are factors required such as the institution's roles, capabilities and responsibilities, the incentives required to build such system and the organisation's ability to sustain the system. The readiness assessment infers to the process of constructing a building with a foundation. A constructed structure without a solid foundation collapses and cannot stand a test of water, therefore it is expected for SMEDAN to extensively conduct readiness assessment which is also referred to as a diagnostic tool that help institutions and other stakeholders to identify challenges vis-à-vis, socio, political, economic, cultural and individuals within and outside the organisation.
- The next phase is for SMEDAN to agree on specific outcomes attained from the set goals before motioning and evaluation take place. The agency must set priorities first and it is vital to define issues involving all participatory stakeholders. The researcher canvassed that SMEDAN should agree on some strategic outcomes which will be used to drive resources and its allocation. In addition to this, the research study recommends that the agency should focus

on choosing key indicators required for monitoring outcomes. This was clearly discussed in this study. Building a results-based M&E system requires the process of attaining some indicators which must be precise clear, relevant, economic- (affordable and available at realistic cost), adequate and monitor able. SMEDAN must meet these listed criteria; otherwise, performance will be very difficult to achieve.

- The researcher averred that the establishment of a baseline data on indicators would assist the agency about the conditions surrounding specific programmes or projects vis-a-vis having clear information, sources of data and data comparison. A baseline will assist SMEDAN in sourcing qualitative and quantitative information from the beginning and it serves as a guide for monitoring performance. The UNDP (2002:67) indicates that a baseline refers to the situation before a project or programme activity begins; it refers to the starting point for monitoring results. SMEDAN requires vital information about SME operators and their constraints in order to provide qualitative solutions to issues affecting the development of SMEs in Nigeria. The process of collecting, analysing qualitative information and data are regarded as key components of a sustainable monitoring and evaluation system. The agency must certainly put the following into consideration:

1. The source of the data
 2. Data collection methodology
 3. Who collects the data?
 4. The number of times data will be collected
 5. The challenges involved in data collection
 6. The relative cost of the data
 7. Data reporting and the use of the data
- The desire for planning improvement for the targeted results selected is key and it is based on the outcomes, indicators and the baselines. The targets are steps further to an outcome and thus a long-term goal. SMEDAN should set targets based on the organisation resources and allotted budgets over a specific period of time either quarterly or yearly. The targets must be feasible putting into consideration the agency's capability to effectively deliver activities and

the outcomes. Therefore, the information collected is required and used for monitoring purposes and the agency uses the tools in managing its inputs- budgets, workforce and activity plans which are aligned to result-based monitoring and evaluation.

- The next segment is for SMEDAN to report its findings. The process involves and addresses issues related to the technical capability of the agency as it centres on the procedural dimension of assessing, accumulating, analysing and reporting. The M&E report findings play significant roles with the information generated used for:
 1. Determine accountability
 2. Organisation learning
 3. Investigation purpose – what is working and what is not working and why
 4. It helps in recording and the creation of institutional memory
 5. Involvement of stakeholder’s participation and helps to promote the understanding of programmes, projects and policy.

Finally, the aforementioned processes highlighted will assist SMEDAN in sustaining a results-based M&E system through budget justifications, personnel motivation, effective and efficient allocation of operational resources and enhanced communication amongst various stakeholders, which will enhance the performance of the agency’s programmes, projects and policies.

8.3 Future Research

The researcher has established in this study the challenges impeding the SME sector and the coordinating agency with a suitable way out. Policy implementation, resources, accountability, stakeholder’s engagement, upholding the designed M&E framework and oversight functions remains pertinent for SMEDAN and the crucial discussions in this research study have a pivotal role to play in the development of the informal sector. Therefore, the conceptions anticipated by the researcher may perhaps, be integrated further and developed in future research.

References

- Adams, J., & Garbutt, A. (2008). Participatory monitoring and evaluation guidelines. Experiences from the field. St. Vincent and the Grenadines.
- Adenuga, A.O., Ogujiuba, K.K., & Ohuche, F.K. (2004). Credit availability to small and medium scale enterprises in Nigeria: Importance of new capital base for banks – working paper retrieved on the 17th July 2015 www.valuefronteraonline.com/publications/jsp?.
- Adegbaju A.A., & Olokoyo, F.O. (2008). Recapitalization and banks performance: A case study of Nigerian Banks. *African Economic and Business Review*, 6(1).
- Adeloye, L. (2012). Federal Government unveils strategies to reposition SMEs. The Punch Newspaper. Retrieved from <http://www.punch.ng>. (Assessed on August 18, 2015).
- Agboola, T. (2016). Capacity to develop the SMEs sector in Nigeria. The Nations Newspaper, December 16, 2016.
- Agusto and Company (2015). A review of the Nigerian MSME policy environment, Fate Foundation, Marina, Lagos. Retrieved from fatefoundation.com/policyreport.pdf (Assessed on June 17, 2017).
- Allen-Ile, C.O.K., Dassah, M.O., Eresia-Eke, C., Ile. U.I., Koma, S., Maclean, S., Meiring, M., Mle, T.R., Modimowabarwa, H.K., Mubangizi, B.C., Mutema, E.P., Pretorius, L.G., & Sampson, C. (2015). Governance and Resource Management in Southern Africa. Challenges and strategies for advancement. Wandsbeck: Reach Publishers.
- Akintoye, A., McIntosh, G., & Fitzgerald. (2000). A Survey of Supply Chain Collaboration and Management in the United Kingdom Construction Industry. *European Journal of Purchasing and Supply Chain Management*, 6 (3-4), 159-168.
- Arowomole, K. A. (2000). Modern business management (Theory and Practice).1st Edition, Sango- Ota, Ogun State.
- Ayyagari, M., Beck, T., & Demirguc-Kunt, A. (2007). Small and medium enterprises across the globe. *Small business economics*, 29(4), 415-434.
- Allen-Ile, C.O.K., Kanyane, M H., & Ile, U.I. (2015). Governance and Resource Management in South Africa: challenges and strategies for advancement. Reach Publishers.

Altman, E., Sabato, G., Wilson, N. (2009). The value of qualitative information in SME risk management. CMRC, Leeds University Business School, UK. Retrieved from http://people.stem.nyu.edu/ealtman/SME_EA_GS_NW.pdf (Accessed June 11, 2016).

African Development Bank Economic Outlook. (2005). OECD Publishing, Paris.

Andzelic, G., Dzakovic, V., Lalic, B., Zrnica, D., & Palcic, I. (2011). Evaluating the impact of environmental factors on the international competitiveness of small and medium-sized enterprises in the Western Balkans. *African Journal of Business Management*, 5 (4), P.1253.

Anyadike, A. (2012). Entrepreneurship development and employment generation in Nigeria: problems and prospects. *Universal Journal of Education and General Studies*. 1 (4):88-102.

African Competitiveness Report. (2013). World Economic Forum. World Bank.

Alreck, P.L., & Settle, R.B. (1995). *The Survey Research Handbook*, 2nd edition. Chicago: Irwin.

Alabi, R. A., Alemazung, J., Bass, H.H., Gutowski, A., & Kappel, R. (Eds). (2011). *Africa and the global financial crisis: impact on economic reform processes (Vol.15)*. LIT Verlag Munster

Ariyo, D. (2005). Small firms are the backbone of the Nigerian economy. Retrieved from <http://africaeconomicanalysis.org> (Assessed on June 08, 2016).

Arkava., M.L. & Lane, T.L. (1983). *Beginning social work research*. Boston: Allyn & Bacon.

Atkinson, P.A., & Coffey, A. (1997). Analysing documentary realities. In D. Silverman (Ed.), *Qualitative Research: Theory, Method and Practice*, London: Sage, 45 -62.

Ayyagari, M., Beck, T & Demirguc-kunt, A. (2003). Small and medium enterprises across the globe; a new database, Vol. 3127. World Bank Publications: 201 -220.

Ayyagari, M., Demirguc –Kunt, A., & Maksimovic, V. (2011). Small and young firms across the world contribution to employment, job creation and growth research working paper. 5631. The World Bank Development Research Group: 06-15.

Australian Bureau of Statistics. (2010). Annual report. Australian Government.

Australian Bureau of Statistics. (2011). Annual report. Retrieved from www.abs.gov.au (Assessed on June 12, 2016)

- Australian Bureau of Statistics. (2001). Small Business in Australia, Cat.No1321.0
- Australian Entrepreneurship and Small Business Office Report 1999.
- Australian Bureau of Statistics (1998), Australian Economic Indicators (Catalogue No. 1350.0), Canberra.
- Australian Small Business Office Bulletin 1996.
- Australian Bureau of Statistics. (2006). The labour force working paper. 6202.0. Australian Bureau of Statistics Paper, Canberra.
- Australian Bureau of Statistics. (2005). International trade in goods and services. 5368.0 Australian Bureau of Statistics Paper, Canberra.
- Australian Bureau of Statistics. (2006). The labour force working paper. 6202.0 Australian Bureau of Statistics Paper, Canberra.
- Babbie, E., & Mouton, J. (2001). *The Practice of Social Research*. Belmont, CA: Wadsworth.
- Babbie, E. (1990). *Survey Research Methods, Second Edition*. California: Wadsworth Publishing Company.
- Baskerville, R.L., & Myers, M.D. (2009). Fashion waves in information systems research and practice. *Mis Quarterly*, pp. 647- 662.
- Bangham, A.D., Standish, M.M., & Miller, N. (1965). Cation permeability of phospholipid model membranes: Effects of narcotic. *Nature*, 208 (5017), P.1295.
- Brink, A., Lightelm, A. & Cant, M. (2003). Problems experienced by small business in South Africa. Paper presented at the annual conference of Small Enterprises Association of Australia and New Zealand, University of Ballarat, Australia.
- Bolton Committee Report (1971). Report of the Commission of Inquiry on Small Firms, Chaired by J.E. Bolton, Cmnd 4811, Hmso, London.
- Bryant, C., & White, L. (1982). *Managing development in the third world*, Boulder, Colorado: Westview Press: 126-130.
- Banathy, B.A. (1996). Information- based design of social system. *Systems Research and Behavioural Science*, 41 (2), pp.104-123.

Bell Etienne, K., & Jackson, L. A. (2001). Knowledge management: Understanding theory and developing strategy. *Competitiveness Review: An International Business Journal*, 11(1) 1-11.

Bieber, M., Engelbart, D., Furuta, R., Hiltz, S.R., Noll, J., Preece, J., Stohr, E.A., Turoff, M., & Van De Walle, B., (2002). Toward virtual community knowledge evolution. *Journal of Management Information Systems*, 18 (4), pp.11-35.

Benchhoff, T., Chay, Y.W., & Loh B. (2002). Change leadership in organisation: The case of Singapore's small medium – sized enterprises. International small business series, edited by Pro Dr Kvening, Dr Kikus Mueller and Dipl – Volkswirt.

Brynard, D.J., Dassah, M.O., Thornhill, C., Van Dijk, G., & Ile, I. (2015). Public Administration and Management in South Africa: A Development Perspective. Oxford University Press Southern Africa (PTY) Limited.

Blaikie, N. (2000). Designing social research. London: Polity.

Blaikie, N. (1991). A critique of the use of triangulation in social research, quality and quantity 25:115-36.

Boodhoo, R., & Purmessur, R. (2009). Justification for qualitative research in organisation: A step forward. *The Journal of Online Education*. Recuperado de <http://www.nyu.edu/classes/keefer/waoe/deeprosh2.pdf>

Brannen, J. (1992). Mixing methods: Qualitative and quantitative research. England: Ashgate Publishing Company.

Brink, P.J., & Wood, M.J. (1998). Advanced design in nursing research. 2nd edition. London: Sage.

Britten, N. (1999). Qualitative Interviews in Healthcare. In Pope C, Mays N. (eds). *Qualitative Research in Health Care* (2nd ed). London: BMJ Book.

Burns N., & Grove, S. K. (2001). The practice of nursing research: Conduct, critique and utilisation. (4th ed.) Philadelphia: WB Saunders.

Bryan, S., & Hofmann, B. (2007). Transparency and Accountability in Africa's Extractive Industries: The Role of the Legislature (ed). Library of Congress Cataloging-in- Publications Data: United States of America.

- Bryman, A. (2008). *Social Research Methods* (2nd ed.). Oxford: Oxford University Press.
- Bryman, A. (2014). June 1989 and beyond: Julia Brannen's contribution to mixed methods research. *International Journal of Social Research Methodology*, 17(2), pp.121-131.
- Burns, N., & Grove, S.K. (2001). *The practice of nursing research, conduct, critique, and utilization*, WB Saunders. Philadelphia, PA.
- Burns, N., & Grove, S. (1997). *Qualitative research methodology. The practice of Nursing Research*. Philadelphia, PA: WB Saunders Company.
- Canadian International Development Agency Report 1994.
- Carpenter, C. (2003). Small business finance profitable in Nigeria: SMEs finance in Nigeria. Retrieved from www.nipc-ng.org. (Assessed on July 14, 2015).
- Central Bank of Nigeria. (2004). N200 billion small and medium enterprises (SMEs). Credit guarantee scheme (SMECGS). CBN guidelines, Abuja.
- Canadian Key Small Business Statistics Report. (2013). Multimedia Services Communications. Retrieved from www.ic.gc.ca/sbststatistics (Assessed on July 18, 2016).
- Central Bank of Nigeria (1988). Monetary Policy circular.
- Commonwealth of Australia Report (2004). Committed to Small Business, ISBN 0642722870. Canberra.
- Chambers, R.A., Potenza, M.N., Hoffman, R.E., & Miranker, W. (2004). Simulated apoptosis/neurogenesis regulates learning and memory capabilities of adaptive neural networks. *Neuropsychopharmacology*, 29(4), P. 747.
- Chazelle, B. (1988). A functional approach to data structures and its use in multidimensional searching. *SIAM Journal of computing*, 17(3) 427- 462.
- Chodokufa, K. (2009). An analysis of the business relationship between SMEs, and insurance companies Ikn the Nelson Mandela Metropolitan Area (Doctoral dissertation, University of Fort Hare).
- Cochran, W.G. (1977). *Sampling Techniques*. 3rd Edition. Wiley: New York.

Cohen, L.H., Sargent, M.M., & Sechrest, L.B. (1986). Use of psychotherapy research by professional psychologist. *American psychologist*, 41(2), 198.

Collis, J., & Hussey, R. (2003). *Business Research: A Practical Guide for Undergraduate and Postgraduate Students* (2nd ed.). Basingstoke: Palgrave MacMillan.

Corbin, J., & Strauss, A. (2008). *Basics of Qualitative Research: Techniques and procedures for developing grounded theory* (3rd ed.). Thousand Oaks, CA: Sage

Creswell, J. W. (1994). *Research design: Qualitative and Quantitative Approaches*. Thousand Oaks, CA: Sage Publications.

Chibundu, E. (2006). How Nigeria SMEs can grow the economy. *Vanguard Newspaper*, September 29, pg. 46.

Creswell, H. (1994). *Research design: Qualitative and Quantitative Approach*. London: Sage Publications.

Creswell, J. W. (2005). *Educational Research: Planning, Conducting and Evaluating Quantitative and Qualitative Research*. Upper Saddle River, New Jersey: Pearson Education, Inc.

Clarke, D. (2013). Africa 2050: Economic revolution global: The international briefing. Second quarter, pp.18-19. Retrieved from http://www.global-briefing.org/Global_Issue_14/index.html#/20/ (Accessed on June 24, 2016).

Clover, T.A., & Darroch, M.A.G. (2005). Owners perceptions of factors that constrain the survival and growth of small, medium and micro agribusinesses in KwaZulu- Natal, South Africa, *Agrekon*, Vol. 44, No 2, pp 238-63.

Cloete, F., Wissink, H., & De Coning, C. (Eds) (2006). *Improving Public Policy: From Theory to Practice*. Pretoria: Van Schalk.

Commission of the European Communities. (2003). *European competitiveness report*, Brussels.

Data collection for the MASK kiosk: WO2 vs. prototype system in spoken language. *Proceedings from fourth international Conference*. Vol 3, 1672-1675.

Department of Innovation, Industry, Science and Research (2011). *A key statistic on Australian Small Business*, 32-38. Melbourne.

- Denzin, N., & Lincoln, Y. (2008). *Strategies of qualitative inquiry*. Sage Publications. USA.
- Denzin, N.K. (1970). *The research act in Sociology*.
- Denzin, N.K., & Lincoln, Y.S. (1994). Introduction: Entering the field of qualitative research. In N.K. Denzin & Y.S. Lincoln (Eds.), *Handbook of qualitative research* (pp. 1-17). Thousand Oak, CA: Sage.
- Deutsche Bank Research Report 2012. Corporate responsibility report 2012. Retrieved from http://www.db.com/cr/eu/docs/CR_Report_2012.pdf (Assessed October 16, 2016).
- Duarte, N. (2004). The role of SMEs for development: a development: a literature review. Paper submitted to ERSA 2004 Congress: "Regions and Fiscal Federalism". Available: nduarte@estgf.ipp.pt. *International Research Journal of Finance and Economics*. Issue 39 retrieved from http://www.eurojournal.com/irjfe_39_15.pdf (Accessed: April 16 2015)
- Denzin, N., & Lincoln, Y. (2008). *Strategies of qualitative inquiry*. Sage Publication. USA.
- Denzin, N., (1978). *The research act: A theoretical introduction to sociological methods*, New York: McGraw- Hill.
- Davenport, E. (2001). Knowledge management issues for online organisations: communities of practice as an exploratory framework. *Journal of Documentation*, 57(1), 61-75.
- Dalberg (2011). Report on support to SMEs in developing countries through financial intermediaries. Retrieved from <http://www.eib.org/attachments/dalberg-sme-briefing> paper. (Assessed on 24 July 2015).
- Department of Trade and Industry Report. (2005). Republic of South Africa. Pretoria.
- Denzin, N. (2000). The Practices and Policies of Interpretation. In N. Denzin, & Y. Lincoln *Handbook of qualitative research* (2nd ed., pp.897- 922). Sage Publications.
- Domegan, C. & Fleming, D. (2007). *Market research in Ireland*. Dublin. Gill & Macmillan Ltd.
- Dunn, K.A., & Huss, H. F. (2004). Mail Survey Reliability through follow –up mailings; The Case of Auditor Changes. *Managerial Auditing Journal*, 19(8), 1048 -1054.
- Ekpenyong, D. B. (2004). Performance of small-scale enterprises in Nigeria during the Structural Adjustment Programme Implantation: Survey findings. *Journal of Financial Management and Analysis*, 15 (1), 1-38.

Emerson, R.M., Fretz, R.I., & Shaw, L. L (1995). Writing ethnographic field notes. Chicago: University of Chicago press.

Economist Intelligence Unit Report 2010.

ECA (1999). Economic Report in Africa. The challenge of poverty reduction and sustainability. ECA. Addis Ababa.

Ekpenyong, D. B., & Nyong M. O. (1992). Small and medium-scale enterprises in Nigeria: Their characteristics, problems, and stress. *International Journal of Business Research*, 8(2) 102-116.

Esuah, O.L., & Adebayo, I. O. (2013). Is small and medium Enterprises (SMEs) an Entrepreneurship? *International Journal of Academic Research in Business and Social Science*. Vol .2, No 1. 487-496.

European Commission. (2012). The European Observatory for SMEs, third annual report. European Network for SME Research.

Everitt, B., & Hay, D. (1992). Talking About Statistics: A psychologists Guide to Data Analysis, London, Edward Arnold.

Fatai, A. (2011). Small and Medium Scale Enterprises in Nigeria: The Problems and Prospects. Retrieved from www.thecje.com/journal/index.php/economics_journal/article/.../8 (Assessed on July 05, 2016).

Federal Republic of Nigeria. (2016) Bank of Industry Annual Report, Abuja, Retrieved from www.boi.ng (Assessed on July 8, 2017).

Federal Republic of Nigeria. (2014) Bank of Industry Annual Report, Abuja. Retrieved from www.boi.ng (Assessed on September 2016).

Federal Republic of Nigeria (2012). CBN Economic Bulletin 2012.

Federal Republic of Nigeria (2010). National Planning Commission Performance Monitoring and Evaluation Report for Federal Ministries Departments and Agencies, Abuja.

Federal Republic of Nigeria. (2013). Micro Small and Medium Enterprises National Policy Report, Abuja.

Federal Republic of Nigeria. (2009). Nigeria's Vision 2020 Economic Transformation Blueprint Report 2009.

Federal Republic of Nigeria (2014). National Policy on Micro, Small and Medium Enterprises Report, Abuja.

Federal Republic of Nigeria (2007). National Policy on Micro, Small and Medium Enterprises Report, Abuja.

Federal Republic of Nigeria (2015). National Policy on Micro, Small and Medium Enterprises Report, Abuja.

Federal Republic of Nigeria. (1985). Nigerian Bank for Commerce and Industry Report, Lagos.

Federal Republic of Nigeria. (2014). National Enterprises Development Program Bulletin. A new way of delivering enterprises development and building an enterprises nation. Abuja.

Fida, B.A. (2008). The importance of Small and Medium Enterprises (SMEs) in economic development, banking, finance and accounting community. URL Retrieved from <http://www.thefreelibrary.com/the+importance+small+and+medium+enterprises+%28SMEs%29+in+economic....a01073924138>.

Federal Republic of Nigeria. (2008). Small and Medium Enterprises Development Agency of Nigeria Annual Report, Abuja. Retrieved from www.smedan.gov.ng (Assessed on February 20, 2016).

Federal Republic of Nigeria. (2006). National Population Census Report. Abuja. Retrieved from www.smedan.gov.ng (Assessed on March 06, 2016).

Federal Republic of Nigeria. (2010). Small and Medium Enterprises Development Agency of Nigeria Annual Report 2010, Abuja. Retrieved from www.smedan.gov.ng (Assessed on March 01 2016).

Federal Republic of Nigeria. (2014). Small and Medium Enterprises Development Agency of Nigeria Annual Report 2014, Abuja. Retrieved from www.smedan.gov.ng (Assessed on April 26 2016).

Federal Republic of Nigeria. (2014). Small and Medium Enterprises Development Agency of Nigeria Annual Report 2012, Abuja. Retrieved from www.smedan.gov.ng (Assessed on July 6 2016).

Federal Republic of Nigeria. (2013). Small and Medium Enterprises Development Agency of Nigeria Bulletin 2013, Abuja.

Federal Republic of Nigeria. (2010). Micro Small and Medium Enterprises National Policy Report, Abuja.

Federal Republic of Nigeria. (2010). National Bureau of Statistics Report. Abuja.

Federal Republic of Nigeria. (1990) National Budget. Lagos.

Frederikson, L. G., Chamberlain, K., & Long, N. (1996). Unacknowledged casualties of the Vietnam War; experiences of partners of New Zealand veterans. *Qualitative Health Research Journal*. Vol.6, No.1 pp: 49-70.

Fadahunsi, A., & Senko, M. (2010). Exploring the use of public pro –training initiatives: Insight from a study of polish SMEs. *International Review of Business Research Papers*, 6(3), 157-167.

Freeman, R., Wicks, A.C. & Parmar, B. (1984). Stakeholder theory and the corporate objective revisited. *Organisational science*, 15 (3), 364-369.

Fayad, M., & Schmidt, D.C. (1997). Objective-oriented applications framework. *Communications of the ACM*, 40(10), 32-38.

Gavin, M.D. (2007). Africa's restless youth in Princeton Lyman and Patricia Dorff (eds). *Beyond Humanitarianism*. New York: Brookings Institute Press, pp 69-85.

Garr, E.Q., & Ile I.U. (2011). Infrastructure policy reforms and rural poverty reduction in Ghana. Perspective from the Keta Sea Defence Project. *African Journal of Governance and Development*, 1(1), pp.39-57.

Gill, P. (2008). Methods of Collecting Data Collection in Qualitative Research: Interviews and Focus Groups. *British Dental Journal*: Nature Publishing Group. Vol 204, No.6, pp: 291.

Gillham, J. (2000). The science of optimism and hope: Research essays in honour of Martin EP Seligman.

Glesne, C., & Peshkin, A. (1992). *Becoming qualitative researchers*. White Plains, NY.

Golafshani, N. (2003). *Understanding Reliability and Validity in Qualitative Research*. The Qualitative Report. University of Toronto: Toronto, Ontario, Canada. Retrieved from

<http://www.nova.edu/ssss/QR/QR8-4/golafshani.pdf>.Vol.8 (Assessed on July 29, 2016. No. 4, pp: 997-604.

Grahame, P. (1999). Doing Qualitative Research. Three Problematics Graduate Program in Applied Sociology. Boston: University of Massachusetts.

Gray, R., Fitch, M., Davis, C., & Phillips, C. (1997). A qualitative study of breast cancer self – help groups. *Psycho-Oncology*, 6(4), pp.279 -289.

Ghatak, S. (2010). Micro Small and Medium Enterprises (MSMES) in India: An appraisal. *Journal of EOFEMD*, 2 (5), 1-19.

Gomezelj Oversell, D., & Antoni, B. (2008). Critical entrepreneur knowledge dimension for the SME performance. *Industrial Management & Data Systems* 108(9), 1182-1199.

Griffin, C. (1985). Qualitative methods and cultural analysis: Young women and the transition from school to unemployment. In: R. Burgess (ed.) *Field Methods in the Study of Education*. Sussex: Falmer Press.

Guijt, I., Arevalo, M., & Saladores, K. (1998). Participatory monitoring and evaluation. *PLA Notes*, 31, 28.

Gunderson, L.H. (2000). Ecological resilience- in theory and application. “Annual review of ecology and systematic 31, no.1 (2000): 425- 439.

Guba, E. G., & Lincoln, Y.S. (1994). Competing Paradigms in Qualitative Research. In N. Denzing, & Lincoln, *Handbook of qualitative research* (pp.105 -117). Sage Publications.

Guskey, T.R. (2000). *Evaluating professional development*. Corwin Press.

Hancock, B., Ockleford, E., & Windridge, K. (1998). *An introduction to qualitative research*. Nottingham: Trent focus group.

Hittleman, D.R., & Simon, A.J. (1997). *Interpreting educational research: An introduction for consumers of research*. Prentice-Hall: Upper Saddle River, NJ.

Hindle, K., & Rushworth, S. (2000). *Yellow pages*. Global entrepreneurship monitor: Australia 2000. Swinburne University of Technology.

Hindle, K., Yenchen, J., & O’ Connor, A. (2011). An entrepreneurial policy framework for high growth firms: Navigating between policies for picking winners and market failure. *International Journal of Entrepreneurial Venturing*, 3(4), pp. 324-343.

Hindle, K., Yencken, J., & O'Connor, A. (2011). An entrepreneurship policy framework for high-growth firms: navigating between policies for picking winners and market failure. *International Journal of Entrepreneurial Venturing*, 3(4), 324-343.

Ile, I.U. (2007). A Public Administration Approach to Managing Intergovernmental Relations System in the Governance of the State: A case Review of Nigeria and South Africa. University of Pretoria: South Africa.

Ile, I. U. (2010). Strengthening intergovernmental relations for improved service delivery in South Africa: Issues for consideration. *Journal of US-China Public Administration*, 7(1), 51-57.

Ile, I U., Eresia-Eke, C., & Allen-Ile, C. (2012). Monitoring and evaluation of policies, programmes and projects. Pretoria: Van Schaik Publishers Africa: 23-31.

Inang, E.E., & Ukpong G.E. (1992). A review of small-scale enterprises in credit delivery strategies in Nigeria. Central Bank of Nigeria economic and financial review. Central Bank of Nigeria, Lagos.4.

International Finance Corporation. (2009). Small and medium enterprises outlook. The World Bank Group.

International Finance Corporation. (2007). The World Bank Group.

International Finance Corporation. (2014). Small and Medium Enterprises. The World Bank Group.

Industry Canada. (2005). Small medium enterprises report.

Ilori, E I., and Ile, I.U. (2015). Sustainability of small and medium enterprises development: the case of the National Directorate of Employment in Akure Nigeria. *African Consortium of Public Administration*, 8:81-91.

Ilori, E.O.I. (2014). Evaluating the impact of the National Directorate of Employment policy on selected agro-chemical small medium enterprises in Akure, Nigeria. (Masters Dissertation, University of the Western Cape), South Africa.

Jamal, D. (2008). A stakeholder approach to corporate social responsibility: A fresh perspective into theory and practice. *Journal of Business Ethics*.82: 213-231.

Jobe, B.A., Wallace, J., Hansen, P.D., & Swanstrom, L.L. (1997). Evaluation of laparoscopic toupet fundophtin as a primary repair for all patients with medically resistant gastroesophageal reflux. *Surgical endoscopy*, 11(11), pp. 1080-1083.

Joppe, M. (2000). The Research Process. Retrieved July 28, 2016. <http://www.ryerson.ca/~mjoppe/rp.htm>.

Jorgenson, J. (1991). Co-constructing the interviewer/co-constructing “family”. *Research and reflexivity*, pp.210-225.

Johnson, D., & Turner, C. (2000). *European Business*, Routledge, London.

Jessen, M .C. & Mackling, W.H. (1976). Theory of the firm: Managerial behaviour, agency cost and ownership structure. *Journal of Financial Economies*, 3, 306-318.

King, G., Keohane, R.O., & Verba, S. (1994). *Designing social inquiry: Scientific inference in qualitative research*. Princeton University Press.

Kimambo, C.Z.M. (2005). “Stimulating small and medium enterprises development for poverty reduction through business and technology incubation” www.erb.gotz/3rd-AED-proceedings/kimambo.pdf.

Kayamula, D., & Quartay, P. (2000). The policy environment for promoting small and medium sized in Ghana and Malawi, Finance and Development Research Programme, working paper series, No 115 University of Manchester.

Khan, N.R., Awang, M., and Zulkifi, C.M. (2013). Small and medium enterprises and human resources practices in Pakistan. *International Journal of Asian Social Science*, 3(2)460-471.

Kongolo, M. (2010). Job creation versus job shedding and the role of SMEs in economic development. *African Journal of Business Management*, 4(11), 2288-2295.

Kusek, J.Z., & Rist, R.C. (2004). *Ten steps to a results-based monitoring and evaluation system: a handbook for development practitioners*. World Bank Group Publications. Washington D.C

Leedy, P.D., Newby, T.J., & Ertmer, P.A. (1996). *Practical research: Planning and design* (5th ed.). New York: Prentice Hall.

Leedy, P. D., & Ormrod, J. E. (2001). *Practical research: Planning and design* (7th ed.). Upper Saddle River, NJ: Merrill/Prentice Hall.

- Lincoln, Y.S., & Denzin, N.K. (1994). The fifth moment. *Handbook of qualitative research*, 1 pp. 575-586.
- Lukacs, E. (2005). The economic role of SMES in world economy, especially in Europe. Retrieved from www.uni-miskele.hu/uni/res/kozlemenyek/2005/pdf/lukacs.doc (Assessed on November 17, 2016).
- LoBiondo-Wood, G. & Haber, J. (1998). *Nursing Research: Methods Critical Appraisal and Utilization* (4th ed). St Louis MO: Mosby.
- Ligthelm, A.A., Martins, J.H. & Van Wyk, H.D.J (2005). *Marketing research in practice*. Unisa Press, Pretoria. 740-749.
- Life, A., Salter, I., Temem, J N., Bernard, E., Rosset, S., Bennacef, S., & Lamel, L. (1996).
- LoBiondo-Wood, G., & Haber, J. (1998). *Nursing Research: Methods critical appraisal and utilization* (4th ed). St Louis MO: Mosby.
- Mays, N., & Pope, C. (1995). Qualitative research: Observational methods in health care settings. *Bmj*, 311(6998), pp.182-184.
- Minichiello, V., Aroni, R., Timewell, E., & Alexander, L. (1990). *In–depth interviewing; researching people*. Hong Kong: Longman Cheshire Pty Limited.
- Minichiello, V., Aroni, R., Tinwell, E., & Alexander, L. (1996). *In–depth interviewing* (2nd ed.). Melbourne: Longman.
- Morse J. M., Barrett, M., Mayan, Olson, K., & Spiers, J. (2002). Verification Strategies for Establishing Reliability and Validity in Qualitative Research. *International Journal of Qualitative Methods*. Vol.1, No.2, p: 2.
- Mouton, J. (1983). Qualitative and quantitative methodologies in the social sciences. *South African Journal of Sociology*. Vol.14 No.4, pp: 124-131.
- Mouton, J., & Babbie, E. (2001). *The practice of social research*. Cape Town: Wadsworth Publishing Company.
- Mouton, J., & Maraias, H.C. 1990. *Basic concepts in the methodology of the social sciences* (Revised ed.). Pretoria, South Africa: Human Sciences Research Council.

Mueller, P., Vanstel., A., & Storey, D.J. (2008). The effects of new firm formation on regional development over time. The case of Great Britain. *Small Businesses Economics*, 30(1), pp.59-71.

National Technical Working Group Report (2009). Vision 2020 Nigeria National Working Group. Abuja.

National Census Report. (2011) Department of Statistics, Malaysia.

Narayanasamy, N. (2009). Participatory rural appraisal: Principles, methods and applications. Sage Publications India.

Nazi, J. (1995). What is stakeholder thinking? A snapshot of a social theory of the firm. *Understanding stakeholders thinking*, 19-31.

Nieman, D.A., & Trushman, G. (2001). Training entrepreneurs and small business enterprises in South Africa: A situational analysis, education and training, 43(8/9)445-450.

Oyewo, B.M., & Oluseyi, B.S. (2013). An empirical study of the capital structure of micro small and medium scale enterprises in Nigeria. *International journal of Business and Social Sciences*, 5 (8), 25-30.

Organization for Economic Cooperation and Development. (2000) Small and Medium Enterprises Outlook. OECD, Paris.

Organization for Economic Cooperation and Development. (1997) Small Businesses, Job Creation and Growth: Facts. Obstacles and Best Practices. Paris.

Olokoyo, S. (1999). Managing your small-scale enterprises successfully: A guide to entrepreneurs, managers and students. 3rd Edition. Kaduna: Ola Jamon Printers & Publishers.

Onugu, B.A.N. (2005). Small and Medium Enterprises (SMEs) in Nigeria: Problems and prospects. Dissertation UK: St Clements University.

Organization for Economic Cooperation and Development. (2015) Economic Outlook, Vol 2015, Issue 1.

Organisation for Economic Co-operation and Development (2010). Entrepreneurship and Migrants Report by the OECD Working Party on SMEs and Entrepreneurship.

Ogwu, S.M. (2013). SMEDAN and the Task of One Local Government, One Product. Daily Trust Newspaper, October 17, 2013.

Ojo, A.T. (2006). Using SMEs to achieve Millennium Development Goals: Challenges and Prospects. *Covenant Journal of Business and Social Sciences*.1 (1) 20-35.

Ojo, A.T. (2003). Partnership and strategic alliance effective SMEs development. Small and Medium Enterprises Development and SMIEIS: Effective implementation Strategies. Lagos: CIBN Press Limited, 185-212.

Ogunleye, G. A. (2004) Small and medium scale enterprises as foundation for rapid economic development in Nigeria: Small and Medium Enterprises Development and SMIES- Effective Implementation Strategies. Editor: Ojo, A.T Lagos: Maryland Finance Company and Consultancy Services Limited.

Oni, E. O., & Daniya A. A. (2012). Development of Small and Medium Scale Enterprises: The role of government and other financial institutions. *Arabian Journal of Business Review* (OMAN Chapter). 1(7) 16- 29.

Osei, B. A., Baa-Nuakoh, K.A., Tutu & Sowa, N.K. (1993). Impact of Structural Adjustment on Small-Scale Enterprises in Ghana, in Helmsing, A.H.J and Kolstee T.H. (eds), Structural Adjustment, Financial Policy and Assistance Programmes in Africa, IT Publications, London.

OECD (2010). Issue paper: 3, SMEs and growth: promoting sustainable manufacturing and eco-innovation in small firms. Retrieved from <http://www.oecd.org/dataOECD/29/57/46404383.pdf> (Assessed on June 18, 2016).

OECD (2015). New approaches to SME and entrepreneurship financing: Broadening the range of instruments. Istanbul. Retrieved from www.oecd.org/cfe/smes/New-Approaches_SME-full-report.pdf

OECD. (2009). Top barriers and drivers to SME Internationalisation. Retrieved from [www.scirp.org/\(S\(czeh2tfqyw2orz553k1w0r45\)\)/reference/ReferencesPapers.aspx?](http://www.scirp.org/(S(czeh2tfqyw2orz553k1w0r45))/reference/ReferencesPapers.aspx?) (Assessed on July 27, 2016).

Organisation for Economic Co-operation and Development. (2002). High-Growth SMEs and Employment. Paris. Retrieved from www.oecd.org/cfe/smes/2493092.pdf (Assessed on July 7, 2016).

Organisation for Economic Co-operation and Development. (2014). ADB-OECD Study on Enhancing Financial Accessibility for SMEs. Lesson from recent crises. Asian Development Bank. Philippine. Retrieved from www.oecd.org/cfe/smes/adb-oecd-study-enhancing-financial-asseccibility-smes.pdf (Assessed on April 16, 2016).

Organisation for Economic Co-operation and Development. (2004). Promoting entrepreneurship and innovative SMEs in a global economy: Towards a more responsible and inclusive globalization. 2nd OECD Conference of Ministers responsible for Small and Medium-Sized Enterprises (SMEs). Retrieved from www.oecd.org/cfe/smes/31919278.pdf (Assessed on August 08, 2016).

Oppenheim, J.J., Taub, D.D., Colon, K., Lloyd, A.R., & Kelvin, D. J. (1993). Preferential migration of activated CD4 +CD8 + T cells in response to MIP alpha and MIP – 1 and MIP-1 beta. *Science* 260, no 5106.

Oppenheim A.N. (1992). Questionnaire design, interviewing and attitude measurement. Printer Publishers, London.

Orjih, J. (2002). Banking and Finance Principle Policies and Institution. Splash media organisation Enugu, Nigeria.

Olorunshola, J.A. (2003). Problems and prospects of small and medium-scale industries in Nigeria. Central Bank of Nigeria Seminar on Small and Medium Industries, Equity Investment Schemes: (SMIEIS), Publication of CBN Training Centre, Lagos. (No.4).

Oluseyi, O.O., Solomon, A.A., & Adekunle, O.B. (2013). Service of small and medium in Ogun State, Nigeria. *Singaporean Journal of Business Economics, and Management Studies*. 1 (11): 31-43.

Patton, M.Q. (2002). *Qualitative Research and Evaluation Methods*. Thousand Oaks, CA: Sage Publications.

Peter, B. (2007). *The entrepreneurship challenge in Nigeria*. Lagos: Sunik Publishers. 19 -27.

Perouse De Montclos A. (2014). *Boko Haram: Islamism, Politics, Security and the state in Nigeria*, Ibadan, French Institute for Research in Africa, 2014.

Public Service Commission. (2008). *Basic concept in monitoring and evaluation*. Pretoria.

Polit, D. F., & Hungler, B. P. (1999). *Nursing Research: Principles and Methods* (6th ED). Philadelphia: Lippincott.

Polit, D. F., & Hungler, B. P. (1996). *Nursing research: Principles and methods*. 5th eds Philadelphia: J.B Lippin Cott Company; 1995.

Punch, K F. (1998). *Introduction to Social Research: Quantitative and Qualitative Approaches*. Thousand Oaks: Sage.

Peterson, R., & Kozmetsky, G. (1983). Perceived causes of Small Business Failure: A research note. *American Journal of Small Business*, Vol 8, Issue 1, pp. 15-19.

Punch, S., 2002. Research with children. The same or different from research with adults? *Childhood*, 9(3), pp.321-341.

Public Service Commission. (2008). *Basic Concepts in Monitoring and Evaluation*. Commission House, Pretoria.

Quarterly, P. (2010). Regulation, competition, small, and medium in developing countries. *University of Manchester*, 10(3), 180-190.

Radam, A., Abu., B. L & Abdullah, C. M. (2008). Technical efficiency of small and medium enterprises in Malaysia: A Stochastic Frontier Production Model. *International Journal of Economics and Management* 2(2).

Republic of South Africa. (2007). *Policy framework for Government-wide monitoring and evaluation*. The presidency. Pretoria.

Remenyi, D., & Williams, B. (1998). *Doing research in business and management: an introduction to process and method*. Sage.

Statistics Canada (2012). *Labour Force Survey*, Canada.

Statistics Canada Report (2012). *Labour force survey*.

Statistics Canada Report (2008). *Departmental Performance Report*, Ottawa.

South Africa Statistics (2013). *Annual Report*, Pretoria.

Statistics Canada. (1998). *Pilot survey of business termination in Canada*. Prepared by the Small Business and Special Surveys Division for the Entrepreneurship and Small Business, Industry Canada, Ottawa.

- Sarantakos, S. (2005). *Social Research* (3rd edition ed.) New York: Palgrave McMillian.
- Scandura, T. A., & Williams, E.A. (2000). Research methodology in management: Current practices, trends, and implications for future research. *Academy of Management Journal* 43:1248- 64.
- Selltiz, C., Jahoda, M., & Deutsch, M-Cook. (1965). *SW: Research Methods in Social Relations*. Methuen and co.
- SMEs Corporation Statistics Report, Malaysia, 2016
- SME Corporation Report Malaysia, 2012.
- Stapenhurst, R. (2008). *Legislative oversight and budgeting: A world perspective*. World Bank Publications.
- Stevenson, L., & Lundstrom, A. (2001). *Patterns and trends in entrepreneurship/SME policy and practice in ten economies (Vol.3)*. Stockholm: Swedish Foundation for Small Business Research, 2001.
- Storey, D. (1994). *Understanding the Small Business Sector*, Routledge, London.
- Steel, W.F., & Webster, L.M. (1991). "Small enterprises in Ghana: Responses to Adjustment Industry", Series paper, No. 33. The World Bank Industry and Energy Department. Washington DC.
- South Africa's Economic Transformation- A strategy for Broad- Based Black Economic Empowerment, Department of Trade and Industry. Retrieved from www.dti.gov.za
- Selltiz, C., Jahoda, M., Deutsch, M-Cook. (1965). *Research Methods in Social Relations*. Methuen & Co.
- Seaberg, J.R. (1988). Utilizing sampling procedures. *Social work research and evaluation*, 3, pp.240-257.
- Smith, Y. & Watkins, J.A. (2012). A literature review of small and medium enterprises (SME) risk management practices in South Africa. *African Journal of Business Management*, 6(21), pp.-6330.
- South Africa (1996). *National Small Business Act 102 of 1996*, Government Printer, Pretoria.

Sharkansky, I. (1972). Policy analysis in Political Science. Madison: Markham Publishing Company, 3-10.

Small and Medium Enterprises Development Agency of Nigeria. (2007). National policy framework on micro small and medium enterprises. Retrieved from <http://www.smedan.gov.ng> (Assessed on May 08, 2015).

Small and Medium Enterprises Development Agency of Nigeria. (2013). June bulletin, Abuja.

Seaman, D. (1991). Follow-Up Study of the impact of the Kenan Trust Model for Family Literacy.

Scoville, R. (2013). Legislative Diplomacy.

Skirbekk, V. (2003). Age and individual productivity: a literature survey. Rostock, Germany: Max-Planck Institute for Demographic Research. Retrieved from <http://www.demogr.mpg.de/papers/working/wp-2003-028.pdf>

Small and Medium Enterprises (SME). Statistics for the UK, 1999 URN 00/92.

The Global Entrepreneurship Monitor Report. (2014). Retrieved from www.gemconsortium.org/report/49480 (Assessed on August 18, 2016).

The Global Entrepreneurship Monitor Report. (2015). Retrieved from www.gemconsortium.org/report/49480 (Assessed on July 09, 2016).

The Global Entrepreneurship Monitor Report. (2014). Retrieved from www.gemconsortium.org/report/49480 (Assessed on July 18, 2016).

The Department of Statistic Malaysia Report 2015

Shneiderman, B., & Plaisant, C. (2005). Strategies for evaluating information visualization tools: Multi-dimensional in-depth long-term case studies. In proceeding of the 2006 AVI workshop on beyond time and errors: Novel evaluation methods for information visualization (pp. 1-7). ACM.

Silverman, D. (2000). Doing Qualitative Research. A practical Hand Book. Sage Publisher: London.

Stiglitz, Joseph & Marylou Yu. (1996). "Financial markets, public policy and the East Asian Miracle." The World Bank Research Observer 11, 2:249-76.

The United Kingdom Department Trade and Industry Report on SMEs 2001

The Federal Republic of Nigeria, 1999 Constitution.

The Small Scale Industries Unit. (1979) Federal Ministry of Nigeria Industries Bulletin. Lagos.

Temitope, J.C. (2015). Constraints of ICT adoption in Nigerian Small and Medium Scale Enterprises. *Journal for Studies in Management and Planning*.17 (2015):420-428.

Thornhill C., Van Dijk, G., & Ile, IU. (2015). Public administration and management in South Africa. A developmental perspective. Oxford University Press, Southern Africa 179-180.

Tustin, H., Ligthelm, A.A., Martins, J.H., & Van Wyk, Hde J. (2005). Marketing research in practice. Pretoria: Unisa Press.

United Nation Development Programme (2010). A working paper on microfinance assessment report prepared as a component of the micro start feasibility mission. 281, Nepal.

Udechukwu, F.N. (2003). Survey of small and medium scale industries and their potentials in Nigeria. Central Bank of Nigeria Seminar on Small and Medium Industries Equity Investments Scheme (SMIEIS), Publication of CBN Training Centre, Lagos. No 4.

United Nation Environment Programme. (2003). "Big challenge for small business: Sustainability and SMEs." Vol 26, No.4, Paris.

United Nations International Development Organisation (2013) SMEs Report.

United Nation Development Programme. (2014). SMME Development.

United Nation Development Programme. (2010). State effectiveness, economic recovery and poverty reduction: Some evidence from the Global Experience for Nigeria. Abuja: UNDP – Nigeria.

Ubom, E. (2003). Entrepreneurship, Small and Medium Enterprises: Theory, Practices &Policies. Lagos: Sedina Limited.

UNIDO. (2013). Corporate Social Responsibility: Implication for Small and Medium Enterprises in Developing Countries, United Nations Industrial Development Organization: Vienna International Centre, p13, Austria.

United Nations Development Programme Publications (2002). SMME Development, New York.

United Nations Conference on Trade and Development Report 2004.

United Nations Environment Programme Report 2013.

UNIDO. (1998). Policy benchmarking in the developing countries and the economies in transition: Principles and practices.

USAID Publications. (2014).

Ubom, E. (2003). Entrepreneurship, small and medium enterprises: Theory, practices and policies. Lagos, Sadina Limited: 536- 544.

Vosloo. W.B. (1994). Foreword, Courier, Vol.10, No.2, P.I.

Woodhill, J. (2001). Planning, monitoring and evaluation programmes and projects: introduction to key concepts approaches and terms. World Conservation Union, Gland, Switzerland.

Wilkinson, A. (1999). Employment relations in SMEs. Employee relations, 21(3), 206-217.

World Bank Group publications (2014). Washington D.C.

World Bank Publications. (2014). African Economy Outlook on Small Business. Malaysia.

World Bank Publications. (2004). Washington DC.

World Bank Publications. (2002). Economic Index Report for Canada.

World Bank Publications. (1997). Washington D.C.

World Bank Publications. (2005). Washington D.C.

World Bank. (2015). Report on Small Business Development. Washington D.C.

World Bank Publication. (2013). Report on Small Business Development, Washington DC.

World Wide Worx (2012). Internet 2% of South African economy. (Online) Available from: <http://www.worldwideworx.com/internet-2-of-sa-economy/> (Retrieved on February 19, 2016).

Winter, G. (2000). A comparative discussion of the notion of validity in qualitative and quantitative research. The Qualitative Report, 4 (3&4). Retrieved June 20, 2016. <http://www.nova.edu/ssss/QR/QR4-3/winter.html>.

Yauch, C. A. and Steudel, H. J. (2003). Complementary use of Qualitative and Quantitative Cultural Assessment Methods, *Organisational Research Methods*, Vol 6, No 4, pp. 465 - 481.

Yumi, S., & Beandry, S. (2007). *Monitoring and Evaluation Strategy*. World Bank Small Grants Program.

Yin, R.K. (1989). *Case Study Research*. California: Sage Publishing.

Yin, R.K. (2003). *Case study research: Design and methods* (3rd ed.) Thousand Oaks, CA: Sage.

Yumi, S., & Beandry, S. (2007). Monitoring and evaluation tips for strengthening organisational capacity. World Bank. Retrieved October 2017, from <http://www.siteresources.worldbank.org/INTBELARUS/Resources/M&E.pdf>.

Zeinalnezhad, M., Mukhtar, M., & Sahran, S. (2011). A study on benchmarking models and frameworks in industrial SMEs: Challenges and Issues. *International Journal on Advanced Science, Engineering and Information Technology*, 1 (1), 6-11.



APPENDIX 1

**INTERVIEW SCHEDULE FOR SMALL AND MEDIUM ENTERPRISES
DEVELOPMENT AGENCY OF NIGERIA (SMEDAN) STAFF MEMBERS**

SECTION A

BIOGRAPHIC DATA

1. GENDER

(i) Male [] (ii) Female []

2. AGE

(i) 18-27 [] (ii) 28-36 []
(iii) 37-45 [] (iv) 46 -54 [] (v) 55 and above []

3. MARITAL STATUS

(i) Single [] (ii) Married [] (iii) Divorced [] (iv) Widow []

4. LEVEL OF EDUCATION

(i) Primary [] (ii) Secondary [] (iii). Tertiary [] (iv) None []

5. What is your designation at SMEDAN? _____

6. What is your unit or department at SMEDAN? _____

7. What is the responsibility and functions of your department in SMEDAN?

8. How many years have you been working at SMEDAN? _____

SECTION B

EVALUATING SMEDAN FRAMEWORK FOR SMEs EFFECTIVENESS

9. What are the frameworks for roles and responsibilities that are embedded by SMEDAN on the development of SME sector?

10. Explain how these frameworks assist SMEDAN in conducting effective and efficient roles and responsibilities in the development of SME sector?

11. Are there institutions that SMEDAN collaborate with in its role in the development of SME sector? Yes [] No []

Please mention the names of the institutions (if any) and their supportive roles

12. How effective and efficient is SMEDAN framework towards the development of SME sector? Excellent [] Very good [] Good [] Fair [] Poor []

13. Many a times, polices overlap with other stakeholder's institutions, in such situation what mechanisms are put in place by SMEDAN to avoid conflicts of responsibilities and be in control of its role over the sector? _____

14. Explain the main challenges facing SMEDAN using this framework as a guide to support the SME sector in order to ensure efficiency in the sector

? _____

SECTION C

EVALUATING SMEDAN MONITORING AND EVALUATION SYSTEMS FOR SMEs DEVELOPMENT IN ONDO STATE NIGERIA

15. What are the roles and responsibility of monitoring and evaluation unit at SMEDAN?

16. How functional is SMEDAN monitoring and evaluation unit overseeing facilities disbursed to SME beneficiaries _____?

17. Does SMEDAN monitoring and Evaluation policy frameworks addresses SMEs development programmes in Ondo State Nigeria? Yes [] No []

Please explain why your answer is yes or no? _____

18. Does SMEDAN have competent staff to support and implement monitoring and evaluation unit initiatives in order to achieve its goals and objectives? Yes [] No []

Please specify with reasons? _____

19. Are there sufficient funds available for SMEDAN to support the development of SME sector in Nigeria? Yes [] No []. Please specify with reasons _____

20. How often does SMEDAN monitoring and evaluation unit carry out their task to ensure adequate supervision of beneficiaries? Monthly [] quarterly [] annually [] bi- annually [] none of the above []

21. Are you aware of any measure put in place by government to monitor funds disbursed to SMEDAN and for the development of small medium enterprises? Yes [] No []

Please specify _____

22. Are the funds allocated to SMEDAN by government adequately enough for the agency to discharge its duties and responsibilities, effectively and efficiently? Yes [] No []

Please specify with reasons _____

23. What are the challenges facing monitoring and evaluation unit of SMEDAN in discharging their responsibilities? _____



APPENDIX 2

QUESTIONNAIRES FOR SMALL MEDIUM ENTERPRISES OPERATORS/MANAGERS IN ONDO STATE, NIGERIA

SECTION A

BIOGRAPHICAL DATA

1. GENDER

(i) Male [] (ii) Female []

2. AGE

(i) 18-27 [] (ii) 28-36 [] (iii) 37-45 [] (iv) 46-54 [] (v) 55 and above []

3. MARITAL STATUS

(i) Single [] (ii) Married [] (iii) Divorced [] (iv) Widow [] (v) None applicable

4. LEVEL OF EDUCATION

(i) Primary [] (ii) Secondary [] (iii) Tertiary [] (iv) None []

5. What is your trade/business classification? _____

6. What is your year of experience in the business/trade? _____

(i) 1 –5 yrs. [] (ii) 6 -10yrs. [] (iii) 11 – 20 yrs. [] (iii) 21 – 30 yrs. []

(iv) Above 31 yrs. []

7. How would you categorize your monthly business turnover?

(i) 50,000 – 100,000 [] (ii) 101,000 – 150,000 [] (iii) 151,000- 200,000 []

(iv) 201,000 – 250,000 [] (v) 251,000 –300,000 [] (v) 300,000 and above []

8. LEVEL OF EDUCATION

(i) Primary [] (ii) Secondary [] (iii) Tertiary (iv) None []

SECTION B

SMALL MEDIUM ENTERPRISES DEVELOPMENT AGENCY OF NIGERIA PROGRAMMES FOR SMEs DEVELOPMENT

8. Are you aware of the existence of SMEDAN? :

(i) Yes [] (ii) No []

If yes, how did you get to know about SMEDAN? _____

9. Explain the major challenges affecting the growth of your business? _____

10. What kind of support/assistance did your business receive from SMEDAN?

11. Does SMEDAN follow up on your business to ensure that the benefits your business received from SMEDAN are utilized for its purpose? (i) Yes (ii) No

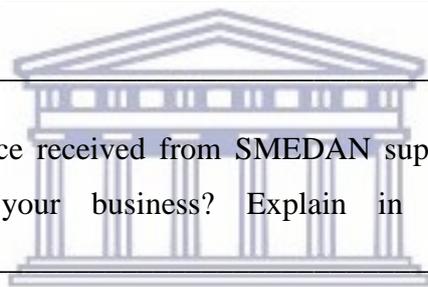
Please kindly explain if your response is yes _____

12. What were the criteria used by SMEDAN for granting you such benefit? Please mention them? _____

13. What did you use the grant you received from SMEDAN supports programmes to do?

14. How often did you benefit from the support programme? Please explain the number of times and if not, explain why? _____

15. Was the benefit /assistance received from SMEDAN support programme sufficient to solve the challenges of your business? Explain in details why yes or no?



UNIVERSITY of the
WESTERN CAPE

SECTION C

MONITORING AND EVALUATION ACTIVITIES OF SMEDAN IN ONDO STATE NIGERIA

16. In your own opinion, how will you rate SMEDAN programmes in supporting SMEs development? Excellent [] Very good [] Good [] Poor [] Very poor []

17. Does SMEDAN programmes actually support the development and growth of your business venture? (i) Yes [] (ii) No []

Please kindly respond if your answer is yes? _____

18. Do you encounter difficulties/challenges in accessing SMEDAN grants/facilities to support the development of your business? (i) Yes [] (ii) No []

If yes, please specify _____

19. What are the major challenges facing your business that you need urgent intervention and support of SMEDAN? _____

20. From your own opinion, what do you think can be done to improve SMEDAN programmes in enhancing the performance and development of small business sector?

21. Are you aware of any other programme(s) recently initiated by government besides that of SMEDAN in your area? (i) Yes [] (ii) No []

If yes, please specify in details, the name of the programme and the responsible institution/agency? _____

22. Do you think SMEDAN programmes satisfactorily support SMEs development in Nigeria from your experience? Yes [] (ii) No []

Please explain in details _____



APPENDIX 3

PURPOSE OF THE RESEARCH INSTRUMENTS



SCHOOL OF GOVERNMENT, ECONOMIC AND MANAGEMENT SCIENCE
FACULTY, UNIVERSITY OF THE WESTERN CAPE, SOUTH AFRICA.

This study is to critically analyse the monitoring and evaluation systems for Small and Medium Enterprises with specific reference to the Small Medium Enterprises Development Agency of Nigeria (SMEDAN) ability to develop and transform the informal sector of the economy. The research instruments include questionnaire and interview schedules distributed to SMEDAN staff Abuja and SME managers and operators in Ondo State respectively.

The questionnaire is designed to elicit information from beneficiaries and non-beneficiaries of SMEDAN programmes amongst SME owners/managers in Ondo State, Nigeria while the interview schedule seeks to generate information from SMEDAN staff, Abuja. The purpose is to ascertain the institution's roles, responsibilities, impact vis-à-vis developing comprehensive strategies, results based monitoring, and evaluation system approach that will enhanced the successful development of SME programmes in Akure Ondo State Nigeria.

All respondents are assured that their responses are for academic purpose and that their identity would be protected at all times based on ethical principles of confidentiality and anonymity. Your cooperation is highly anticipated since the success of the study largely depends on your truthful and sincere response.