

Developing Small Business Entrepreneurs through Assistance Institutions: The Role of Industrial Development Centre, Osogbo, Nigeria

Hassan, Moshood Ayinde, Ph.D

Department of Arts Education, Faculty of Education, Adekunle Ajasin University

PMB 001, Akungba-Akoko, Ondo State, Nigeria

Tel: 234-803-422-9218 E-mail: ayindeayindeayinde@hotmail.com

Olaniran, Sunday Olawale

Department of Arts Education, Faculty of Education, Adekunle Ajasin University

PMB 001, Akungba-Akoko, Ondo State, Nigeria

Tel: 234-703-395-5770 E-mail: xunday22@yahoo.com

Abstract

The purpose of this study is to determine how assistance institutions are contributing to the development of small and medium enterprises (SMEs) in Nigeria, with special reference to Industrial Development Centre (IDC), Osogbo, Nigeria. Survey research was used in order to carry out the study. Three hundred and forty (340) respondents from university students, trade union congress and private entrepreneurs in Nigeria were sampled. Four research questions were generated from the literature review, questionnaire on developing small business entrepreneurs through assistance institutions, and the responses elicited from respondents were numerically quantified, tabulated and analyzed using the Likert Scale. The analysis showed that assistance institutions in Nigeria, especially IDC, have really contributed immensely to the promotion of small and medium enterprises as well as entrepreneurship development generally. The paper also looked into some problems confronting SMEs in the developing nations like Nigeria. Based on the findings, it is recommended that efforts should be made to commercialize the products of IDC so as to meet the demand of the people, and special fund should be set aside to encourage entrepreneurs who may be financially handicapped after training on SMEs development.

Keywords: Entrepreneurship, Small and Medium Enterprises (SMEs), Assistance institutions, IDC, Economic development, Weighted scores

1. Introduction

The concept of entrepreneurship, otherwise called small business management is now very popular among people as a strategy of escaping poverty and creating an enabling environment for socio-economic expansion and productivity. The focus on entrepreneurship development in this 21st Century is not just a theoretical approach but a development-oriented action towards alleviating poverty among rural populace as well as those living in urban slums. Poverty is said to be the major cog in the wheel of socio-economic and political development of people. In fact, it is estimated that 1.3 billion people live on less than one dollar per day (World Bank Report, 2006) and one of the factors that led to the sudden rise of poverty among people has been attributed to the lack of entrepreneurial skills which can really create a sense of self sufficiency. The realization of the need to kick out poverty in our society calls for various innovations and ideas that can help develop small business entrepreneurs through various means that is available, either through public or private sectors.

Entrepreneur in an economist perspective is one "who brings resources, labour, materials, and other assets into combinations that make their value greater than before (Hisrich et al 2008). Entrepreneurs introduce changes, innovations and a new order to a phenomenon so as to arrive at an alternative-possible end. If a good/solid entrepreneurial spirit is not cultivated by people, most of the poverty alleviation/wealth creation programmes of governments and private bodies would just be an exercise in futility. Therefore, efforts must be made by governments, religious bodies and private individuals concerned to sensitize people on the need to embrace the

necessary skills and knowledge for the purpose of creating small and medium scale businesses that would enable them find an escape route to poverty.

For vision 2020 of Nigerian government to succeed, the entire citizenry must be sensitized on the need to equip themselves with various vocations which would eventually assist Nigeria in her quest to become one of the twenty (20) most economic viable nations come year 2020. Before now, government has established various institutions for the promotion of small and medium enterprises. These include Federal Industrial Research, Oshodi (FIRO), Nigeria Industrial Development Bank (NIDB), Small and Medium Enterprises, Equity Investment Scheme (SMEEIS) and Industrial Development Centers (IDC) among others. Appraising these institutions will not be out of place in view of tax payer's money being spent on them. Thus in this study, effort is made to evaluate the activities of Industrial Development Centre (IDC), Osogbo, with a view to finding out how it is promoting the growth and development of small and medium business (SMEs)

The objectives of the study therefore, include:

1. To find out the level of patronage of IDC services by entrepreneurs.
2. To establish the impact of IDC services in the promotion of small and medium enterprises.
3. To determine the types of services offered by IDC to its clientele.
4. To appraise the influence of IDC on the promotion of industrial growth and development in the society.

2. Literature Review

2.1 Entrepreneurship

There is no univocal definition of entrepreneurship as different scholars have expressed divergent views on what constitutes the concept of entrepreneurship. For instance, Bolton and Thompson (2000) show that the word "entrepreneur" was derived from the French word "entre" meaning "between" and "prendre" being the verb "to take". This means the one who takes the risk in the economy between supplier and customer. Going by this definition, an entrepreneur is, therefore, a risk taker. He/she is someone who starts a business, arranges business ideas and takes risks in order to make profit. Furthermore, Bolton and Thompson (2000) conceive of the term "entrepreneur" to mean "to undertake", for example, starting of new venture. This means that an entrepreneur creates job for economic growth and social development. The conceptions testify to the fact that entrepreneurs are persons who take risks in the production of goods and services. There is a word which predominantly features in these definitions, that is "risk" which means entrepreneurs are reasonable risk takers with exceptional innovations.

Entrepreneurship is more than the mere creation of business; it also consists of possessing the requisite knowledge and skills in managing the business in the face of ever-changing socio-political environment. According to Donald and Hodgetts (2007), entrepreneurs are individuals who recognize opportunities where others see chaos and confusion. This means that entrepreneurs are elements of change in the midst of economic hardship. They are aggressive catalysts for change within the market place. They are positive minded in every economic environment in which they find themselves with the desired hope of making changes thereby making profit. Entrepreneurship is the symbol of business tenacity and achievement. Entrepreneurs of old were the pioneers of today's business endeavors. They were people of rare sense of opportunity who used their intellects to innovate and utilize their capacity for accomplishments, which have become the yardstick by which free enterprise is now measured.

Furthermore, Hisrich, Peters and Shepherd (2008) opined that entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic and social risks and receiving the resulting rewards of monetary and personal satisfaction and independence. This definition stresses four bases aspects of being an entrepreneur. First, entrepreneurship involves the creation process that is, creating something new of value. The creation has to have value to the entrepreneur and value to the audience for which it is developed. Second, entrepreneurship requires the devotion of the necessary time and effort. Only those going through the entrepreneurial process appreciate the significant amount of time and effort it takes to create something new and make it operational. The third part of the definition involves the rewards of being entrepreneur. The most important of these rewards is independence, followed by personal satisfaction. For profit entrepreneurs, money becomes the indicator of the degree of success achieved, assuming the necessary risks is the final aspect of entrepreneurship. Action takes place over time, and the future is unknowable, action is inherently uncertain. This uncertainty is further enhanced by the novelty intrinsic to entrepreneurial actions, such as the creation of new products, new services, and new ventures and so on.

Nwachukwu (1990) also defined entrepreneurs as people who have the ability to see and evaluate business opportunities, gather the necessary resources to take advantage of them and initiate appropriate action to ensure success. Therefore, a typical entrepreneur is a risk taker, a man who braves uncertainties, strikes out on his own and through nature with devotion to duty and singleness of purpose, somehow creates a business and industrial activity where none existed before.

2.2 Small and Medium Enterprise/Industry

The Small and Medium Industries Enterprises Investment Scheme (SMEIS) in Nigeria, defines small and medium enterprise as any enterprise with a maximum asset base of N200 Million, excluding land and working capital, with the number of staff employed by the enterprise not less than ten (10) and not exceeding three hundred (300). Besides, small and medium enterprises have the following features as highlighted by Adelaja (2007):

- i. They exist in the form of sole proprietorship and partnership, though some could be registered as limited liability companies.
- ii. Management structure is simple, thus decision making is easy. Ownership and management fuse together in one person or few individuals.
- iii. Relationship between employer and employee is largely informal.
- iv. They operate in many areas of economic activities, for instance, manufacturing, transportation, and communication, among others.
- v. Majority is labour intensive, requiring more human per capital per unit of production.
- vi. The technologies involved are always very simple.
- vii. Limited access to financial capital (suffer from inadequacy of collateral).
- viii. They make greater use of local materials.
- ix. They enjoy wide dispersal throughout the country providing a variety of goods and services.

Many economies, developed and developing have come to realize the value of small businesses. They are seen to be characterized by dynamism, witty, innovations, efficiency, and their small size allows for faster and decision making process. Governments all over the world have realized the importance of this category of companies and have formulated comprehensive public policies to encourage, support and fund the establishment of SMEs. Developments in small and medium enterprise are a sine qua non for employment generation, solid entrepreneurial base and encouragement for the use of local raw materials and technology.

In Nigeria, the small and medium enterprises sub-sector has been expanding, especially since the mid-1980s, following the prolonged recession in the economy which forced many large enterprises to lay off large proportion of their work-force. The sector accounts for 70 percent of industrial employment (World Bank, 1995). Also, the agricultural sector, which largely consists of SMEs, employs over 60 percent of the nation work-force (Salami, 2003).

3. The Contributions of Small and Medium Enterprises to Economic Development

Countries all over the world, no matter the stage of their development recognize the importance of promoting small and medium scale firms as the engine of growth and industrialization. It has been observed that small scale businesses play crucial roles in the economic development of countries (Ogundele, 2006). They employ more workers than their large scale counterparts. They play complementary roles to large scale firms as a training workshop for developing skills of industrial workers and establishing forward and backward linkages. The spectacular economic development of the Asian Countries like Malaysia and Indonesia are attributed to the rapid development of small and medium scale enterprises. In recognition of this, many countries now see SMEs as instrument for fighting poverty and under-development and are re-directing their economic policies towards the development of this class of enterprises.

In Nigeria, small scale businesses constitute 85% of all firms operating in the economy (Sanusi, 2003). Like in most other developing countries, they employ the largest number of workers. It is the official policy of government to develop the economy and fight poverty through the development of small scale businesses (FGN, 2003). The government is therefore heavily concerned about developing small scale business operators and indigenous entrepreneurs, who can assist her in economic/national development, that is, being self-employed and reducing unemployment, creating more employment opportunities and giving the citizens a sense of worth and confidence. Small and medium enterprises are known to have contributed significantly to economic development,

job creation and sustainable livelihood (NIPC, 2003). Owualah, (1999) noted that small firms make both social and economic contributions to our development process. The social benefits are in terms of transforming traditional or indigenous industry: stimulating indigenous entrepreneurship and technology, creating jobs and redistributing wealth and income.

Similarly, Odubanjo and Onwuemere (2000) summarized the relevance of small and medium enterprises to economic development of Nigeria to be technological and industrial development, employment generation, technological acquisition, capacity building, promoting growth, increased standard of living, serving of large scale industries, export promotion, structural transformation of rural areas and so on. It is in recognition of the strategic role of entrepreneurs in national development, that the Federal, States, Local governments, and even some corporate institutions are continuously creating the enabling environment to enhance entrepreneurship. For example, the Federal government of Nigeria's active encouragement and policy thrust to entrepreneurship and small scale business development could be seen from the establishment of some assistance institutions to serve as sources of motivation and finance for small scale entrepreneurs. Prominent among these institutions in Nigeria are Small Scale Industries Credit Scheme (SSICS) which was set up by the Federal Military Government in 1971 to provide technical and financial support for the SMEs which led to the creation of the Small Industries Credit Scheme (SICF); Federal Institute of Industrial Research (FIRO), Oshodi; The Nigerian Bank for Commerce and Industry (NBCI) which was set up in 1973 to provide, among other things, financial services to the indigenous financial community, particularly the SMEs; The Nigerian Industrial Development Bank (NIDB) which was established in 1962 with the primary mandate of providing medium to long term loans for investments in industrial activities; Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) which has been restructured to provide small scale funding and guarantees in the rural setting, specifically to provide funds for rural agricultural entrepreneurship; Micro-finance Banks which were established to replace former Community Banks and are to provide sustainable funding for small and medium enterprises; Small and Medium Enterprises Equity Investment Scheme (SMEEIS) which was established by the Central Bank of Nigeria (CBN) on 19th of June, 2001 to liberalize access to funds through all the commercial banks; Small and Medium Enterprises Agency of Nigeria (SMEDAN), a Federal government funded agency established in 2003 to oversee the affairs of small and medium enterprises in Nigeria and Industrial Development Centres (IDC) which happened to be the case study of this paper.

4. Industrial Development Centre (IDC) Osogbo, Nigeria

The Industrial Development Centre, Osogbo, Nigeria, established in 1976 was one of the IDCs established by the Federal Government of Nigeria across the country with the aim of promoting small and medium enterprises. Essentially, the IDCs were established to provide extension services to the SMEs in such areas as project appraisal for loan application, training of entrepreneurs, managerial assistance, product development, production planning and control as well as other extension services. The first IDC was established in Owerri in 1965 by the former Eastern Nigeria government, Ministry of Trade and Industry, and was taken over in 1970 by the Federal government including the one in Zaria, Northern Nigeria, which was established in 1969. The emergence of the Industrial Development Centres was as a result of the Nigerian government yearning to strengthen small and medium enterprises (SMEs) in the country. Experts carried out feasibility studies and recommended that government concentrate on five (5) areas namely; wood work, metal work, automobile repair, textiles and leather work (Business Day, 21st December, 2009).

Subsequently, more IDCs were established at Maiduguri, Abeokuta, Sokoto, Benin City, Uyo, Bauchi, Akure, Port Harcourt, Ilorin, Kano and Ikorodu. Through IDC, entrepreneurs are expected to learn about new production techniques, new types of machinery and their usage, how to develop a feasibility plan as well as establishing small scale businesses for self sufficiency and self reliance. The Industrial Development Centre, Osogbo, since inception in 1976 has been contributing immensely to the growth and development of small and medium enterprises in Nigeria through its various sections/departments of operation. Among various sections of IDC Osogbo, we have the following departments:

4.1 Ceramics Department

Entrepreneurs are being trained on daily basis on how to make materials like tea-cup, pot, jug, interior decoration materials and so on. The major raw material is clay which must pass through various processes before it can be used for the aforementioned materials.

4.2 Food and Chemical Department

This is where interested individuals and groups are trained on how to use chemical to produce various products like soap, pomade, candle, ice-cream, preservation of fruit juice, among others. This department also conducts

training on food and chemical products for corporate organizations on consultation. The major raw materials being used here include caustic soda, palm kernel oil, salt, raw fruits, among others.

4.3 Metal Department

In this department, various machines are being produced for industrial use. These machines include, soap making machine, candle making machine, welding machine, heat treatment machine, absor machine, Ticknessing machine, and Hydrolic press. People are also trained on how to use these machines to produce what they are meant to produce in industrial settings.

4.4 Wood-work Department

This department has two broad sections: the machine section, where machines are being used to manipulate wood into various sizes and shapes in order to bring out materials like wooden hanger, wooden chair, and interior decorating materials. The second section is assembling where wooden materials already produced are being assembled together. This department as well trains people on how to use wood for furniture making and interior decorating materials as many outstanding furniture makers and interior decorators in Nigeria have their success traced to the centre.

4.5 Textiles Department

This is where people are trained on how to produce textile materials of all sorts. This department also has two units. The first unit is where textile materials are being weaved together before taken into the second unit that is dyeing section for dyeing. Various African fabrics like campala, Adire, Batik are also produced in this section.

4.6 Leather Department

This is one of the patronized sections of IDC, Osogbo. The reason is not far-fetched. Leather forms part of the materials that man uses everyday. This department trains entrepreneurs on how to use animal skin to produce materials of all kinds such as leather bag, shoe, and belt, among others. The major raw material for leather production in this section is animal skin called "Hide" and "Skin". Hide is the outer covering of large animals like elephant, cow, and lion while skin is derived from small animals like goat, sheep and the likes.

5. The Merging of IDC with SMEDAN

The Industrial Development Centre in Osogbo and the ones in other parts of Nigeria were recently passed on to the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) for management. This was done in December 2009 in order to pave way for the laid down strategies for the re-positioning of the IDCs towards enhancing entrepreneurship development in Nigeria.

6. Problems facing SMEs and Entrepreneurship Development in Nigeria

Sanusi (2003) and Adelaja (2003) identified some major constraints militating against the growth and development of small and medium enterprise in Nigeria. These include: inadequate access to finance, shortage of skilled manpower, financial indiscipline, lack of infrastructural facilities, poor management practices and low entrepreneurial skill.

6.1 Inadequate Access to Finance

This is the greatest of all problems facing SMEs in Nigeria. Most of the small enterprises do not have enough capital to expand their operations. The banking sector tends to be lukewarm in meeting the credit requirements of SMEs. This is because project proposals are poorly prepared, financial documentation and inadequate collateral are not provided. Moreover, the banks regard many SMEs as high risk ventures because of absence of succession plan in the event of the death of the proprietor. As a result, working capital is still a major constraint on production, as most SMEs are restricted to funds and are therefore unable to respond to unanticipated challenges in a timely manner.

6.2 Shortage of Skilled Manpower

Inadequate financial resources as well as desire to operate with limited openness on the part of proprietors lead many SMEs to employ semi-skilled or unskilled labour. This of course, affects productivity, restrains expansion and hinders competitiveness.

6.3 Financial Indiscipline

Some SMEs' proprietors deliberately divert loans obtained for project support to ostentatious expenditure. Others refuse to pay back as at when due the interest and the principal, because of the political involvement and the misconceived notion of sharing the so called "national cake".

6.4 Lack of Infrastructural Facilities

Inadequate provision of essential services such as telecommunications, access roads, electricity and water supply constitutes one of the greatest constraints to SMEs development in Nigeria.

6.5 Poor Management Practices and Low Entrepreneurial Skill

Many SMEs do not keep proper accounts of transactions. This hinders effective control and planning. Moreover, lack of relevant educational background and thorough business exposure constrains their ability to seize business opportunities that may lead to growth and expansion.

7. Limitation of the Study

The study set out to examine the role of assistance institutions in developing small business entrepreneurs. Assistance institutions are organizations set up by government and private individuals to provide support such as education and training, guidance, means of obtaining machineries, finance and raw materials and other services that can aid growth and development of small businesses. Many of such organizations are university and polytechnic based. Others are set up by private individuals and organizations and by the state and Federal Government such as Federal Institute of Industrial Research, Oshodi; Small and Medium Enterprises Agency, under the presidency; Nigeria Industrial Development Bank; Industrial Development Centres, and others. Out of these institutions, one of the three zonal Industrial Development Centres at Owerri, Zaria and Osogbo was picked because of time, limited resources and facilities at the disposal of the researchers. This appears to have limitation on the outcome of this study which was based in South West Nigeria. However, what seems to be a respite is the similar pattern of findings of earlier studies (Adelaja, 2007; Odubanjo, 2000; and Inyang, 2009) compared to the present study. Consequently, effort should be made in subsequent studies to expand on the number and services of assistance institutions with a view to determining their impact on a global level on small business entrepreneurs.

8. Methodology

The survey research design was utilized for this study.

8.1 Population

The population of this study consists of the students of Adekunle Ajasin University (AAUA), Akungba-Akoko and Obafemi Awolowo University (OAU), Ile ife, Nigeria, Members of Trade Union Congress in Ondo State as well as Private Entrepreneurs in Osun and Oyo States of Nigeria.

8.2 Sample

Random sampling technique where all subjects had equal probability of being selected was used in the study. This is presented in table 1. The population of two hundred and thirty five (235) subjects was from AAUA Students. Out of this number, ninety (90) which represented 38.2% was chosen. There were two hundred and fifty (250) students of OAU. Sixty five (65) or 26.0 percent were sampled out of the subjects. Seventy five or 26.8 percent were chosen from two hundred and eighty (280) respondents from Private Entrepreneurs in Osun and Oyo States of Nigeria. Four hundred and fifty (455) members of TUC- Trade Union Congress in Ondo State of Nigeria constitute the population for this study: one hundred and ten (110) members of the union were later randomly selected. This represented 24.2 percent of the respondents.

8.3 Instrument

The study aimed at finding out the contributions of Assistance Institutions towards the development of SMEs in Nigeria, using IDC, Osogbo as a case study. Thus, structured questionnaire was constructed to provide answers to four (4) research questions raised in the study. The data was analyzed by using rating scale and especially Likert type as follows:

SA- Strongly Agreed (4 Points)

A – Agreed (3 Points)

D – Disagreed (2 Points)

SD – Strongly Disagreed (1 Points)

U – Undecided (0 Points)

The scores obtained by the respondents on questionnaire items were weighted in order to get their mean. Weighted scores refer to the respondent's scores against each questionnaire item multiplied by the scores under

each Likert scale point. The products were added together on each column in order to find out the average (mean) using the number of respondents involved. The mean (average) obtained is interpreted as follows:

8.4 Interpretation Scale

0.0-0.9 = U

1.0-1.44 = SD

1.50-2.49 = D

2.50-3.49 = A

3.50-4.00 = SA

This is further used to interpret the respondents' view on each questionnaire item and the findings of the study.

8.5 Research Questions

Research Question 1: What was the Level of Patronage of IDC Services by the Entrepreneurs?

Answer to this question is contained in Tables 2 and 3.

The analysis of respondents' view on the level of patronage of IDC services by the entrepreneurs obtained in Table 3 shows a very high level of patronage of entrepreneurs to the centre. All the respondents (AAUA, OAU, TUC, and Private Entrepreneurs) expressed the view that they often patronized the IDC services. Perhaps, this may be because there is no financial obligation in patronizing the centre as government made it free of charge for any interested individual or groups to obtain training on SMEs which really brought about their willingness to patronize the centre as often as possible. The implication of this finding might be that entrepreneurial ability imbibed in the respondents from school would be sustained beyond school system when they entered into labour market. Thus, they could be willing to become employers of labour rather than seeking unavailable jobs. This finding is in line with the submission of Aruwa (2006) on Entrepreneurship as the willingness and ability of an individual to seek for investment opportunities where available, to establish and run an enterprise successfully. However, this finding is contrary to what Hassan (1989) reported on the patronage of assistance institution by entrepreneurs in Nigeria. He found out that lack of knowledge of awareness of institutions meant for small and business entrepreneurs accounted for low patronage of such centres.

Research Question 2: What was the impact of IDC services on the development of SMEs in Nigeria?

Tables 4 and 5 contain answer to this question.

The analysis of respondents' view on the impact of IDC services shows that entrepreneurs reported that they were exposed to vital information on the establishment of SMEs. Furthermore, the analysis indicates that through various training programmes in so many areas such as ceramics, textiles, woodwork and others, many young entrepreneurs would likely emerge in Nigeria, especially the South-Western part of the country. Similarly, the respondents expressed the view that the consultancy services of IDC have really helped in reactivating many moribund indigenous enterprises that have folded up in Nigeria. Majority of the respondents also opined that IDC services have exposed thousands of students of higher institutions of learning to various vocations which they could embark upon after their studies that would make them become self-sufficient. In the same vein, respondents expressed the view that entrepreneurs had the opportunity of developing feasibility plan for their businesses. This finding is in support of what Sanusi (2003) sees as the benefits of assistance institutions as making social and economic contributions to our development process in terms of transforming traditional or indigenous industries; stimulating indigenous entrepreneurship and technology; creating jobs and redistributing wealth and income. The finding has implication for the need to continually have an institution set up for the promotion of small and medium businesses

Question 3: What were the types of services provided by IDC to its clientele?

Tables 6 and 7 provide answer to this question

Analysis in table 7 shows that almost all the respondents opined that training programmes, one of the major services rendered by IDC, benefited great number of people in one way or the other, as they have been trained on how to establish SMEs for economic growth and self sustainability. This is in line with the view of Adelaja (2003) that training on SMEs should cover some areas such as Agro-allied, petro-chemical and fertilizer, food processing, textiles, paper and wood pulp for the purpose of developing the indigenous technology.

Similarly, the respondents held the view that feasibility studies, proposal development for would be entrepreneur and consultancy services formed part of the services provided by IDC to its clientele. However, respondents

expressed contrary view in respect of product development and production planning and control. This may be as a result of the fact that IDC products are not being mass produced. What the centre produced could only be seen in the factory on visitation to the centre. The implication of the finding could be that the scope of activities of IDC should be expanded with a view to allowing the IDC to collaborate with interested entrepreneurs to mass produce its products

Question 4: What was the influence of IDC on the promotion of industrial growth and development?

Answer to this question is contained in Tables 8 and 9.

The analysis of the respondents on the influence of IDC on the promotion of industrial growth and development is contained in table 9. It shows that IDC services have been having positive impacts on the promotion of SMEs as majority of the respondents opined that the centre serves as a source of encouragement to students who patronize it to become self employed after their studies. Promoting vocational skills acquisition among youths, reducing the rate of unemployment and contributing to the poverty reduction served as other contributions of IDC, as submitted by respondents. This finding is in support of government policy (NUC, 1989) which directed that "Entrepreneurial Development" as a course should be introduced at the undergraduate level in order to create opportunities for graduating students of business management and related disciplines to learn entrepreneurial skills through practical teaching and visitation to assistance institutions like IDC. However, respondents expressed contrary view in respect of the empowerment of beneficiaries through micro-credit loans as entrepreneurs were always left alone to source for capital to start small scale business after they must have received training from IDC. The reason is not far-fetched: government did not make provision for soft loans which entrepreneurs could get access to after completing IDC training programmes. There is the need to loan make loan facilities available to entrepreneurs.

9. Recommendations

The following recommendations are made based on the findings of the study:

- (1) Efforts should be made to commercialize the products of IDC, this could be done by joint efforts of the centre and would be entrepreneurs.
- (2) Non-governmental organizations should complement the efforts of assistance institutions established by government in the promotion of Small and Medium Enterprises as government cannot do it alone.
- (3) It is suggested that special fund should be provided in form of loan to empower beneficiaries who perform excellently after the training programmes at the centre. This would go a long way in promoting small and medium businesses in Nigeria.
- (4) More funds should be allocated to the promotion of small and medium enterprises in the budget so as to further emphasize its importance in achieving Nigerian vision 2020 and seven (7) point agenda of Yar'adua/Jonathan administration.
- (5) Expanding the scope of IDC is advocated in order to make it more responsive to the needs and aspiration of the people

10. Implication for Theory and Practice

The findings of the study support continuing floating of education and training programmes for small and medium business entrepreneurs in the country. In the Universities and Polytechnics, it is called 'Entrepreneurship Education'. What appears to be important is that it might not attract payment of fees or subsidized by the government in order to attract high patronage from the entrepreneurs. On the practice side, the study underscores the need for continuing education and training in small and medium businesses for the small and medium scale industrialists to do well and be able to make meaningful contributions to the economic development of the nation.

11. Conclusion

The benefits derivable from small and medium enterprises in developing economies are enormous. The strategic role of the entrepreneur as an agent of economic transformation in society is visible in employment and wealth generation, stimulation of indigenous entrepreneurship and promotion of entrepreneurial culture. Small and Medium Enterprises serves as a linchpin between invention, innovation, and introduction of new products and services in the marketplace and also enables entrepreneurs to act as engines of growth in the economy (Ketchen, 2003; Venkataraman, 1997). Therefore, its promotion should be rigorously pursued for better economic growth and productivity.

References

- Adelaja, A.O. (2007). *The Importance of Small and Medium Scale Industries in a Developing/Underdeveloped Economy: Nigeria Case Study*. University of Lagos, Nigeria.
- Amuseghan, S.A. (2008). *Introduction to Entrepreneurship Management*. Centre for Entrepreneurship Development, AAUA, Nigeria.
- Business Day. (2009). *A Nigerian Daily Newspaper*, published on 21st December, 2009.
- Hassan, M.A. (1989). *Small Scale Industries: The Relevance of Industrial Development Centre, Osogbo*. Unpublished M.Ed. Dissertation, University of Ibadan, Ibadan.
- Hisrich D.R., Peters, P.M., & Shepherd, D.A. (2008). *Entrepreneurship* (7th Edition) New York, McGRAW HILL International Companies
- Inyang J.B., & Enuoh, O.R. (2009). Entrepreneurial Competencies: The Missing Links to Successful Entrepreneurship in Nigeria. *International Business Research Journal*.
- Ketchen, D.J., Jr. (2003). From the Special Issue Editor: Entrepreneurship: Past Accomplishment and Future Challenges. *Journal of Management*.
- Kuratko, D.F., & Hodgett, R.M. (2001). *Entrepreneurship: A Contemporary Approach*. New York: Harcourt Inc.
- Nigerian Investment Promotion Commission. (2004). *Overview of Small and Medium Scale Enterprises in Nigeria*. An Information Booklet, Abuja.
- NUC. (1989). *Federal Government of Nigeria Policy on Entrepreneurship Development in Tertiary Institutions*. An Information Booklet, Abuja.
- Nwachukwu, C.C. (2005). *The Practice of Entrepreneurship in Nigeria*. Onitsha: Africana- First Publishers Limited
- Odubanjo, E.K. (2000). Relevance of Small Scale Enterprises in the Development of the Nigerian Economy, The Nigeria Bankers. *Journal of the Chattered Institute of Bankers of Nigeria*.
- Onwumere, J.U.J. (2000). The Nature and Relevance of SME in Economic Development, The Nigerian Banker. *Journal of the Chattered Institute of Bankers of Nigeria*.
- Owualah, S.I. (1999). *Entrepreneurship in Small Business Firms* (1st Ed). Lagos: G-MAG Investment Ltd.
- Salami, A.T. (2003). *Guidelines and Stakeholders Responsibilities in SMEIS*. In *Central Bank of Nigeria Seminar on Small and Medium Industries Equity Investment Scheme (SMEIS)*, Publication of CBN Training Centre, Lagos.
- Sanusi, J.O. (2003). *Overview of Government's Efforts in the Development of SMEs and the Emergence of Small and Medium Industries Equity Investment Scheme (SMEIS)*. A Paper Presented at The National Summit on SMEIS Organized by the Bankers' Committee and Lagos Chambers of Commerce and Industry (LCCI), Lagos on 10th June, 2003.
- Venkataram, J.D. (1997). *The Distinctive Domain of Entrepreneurship Research*. Advances in Entrepreneurship firm, emergence and growth: JAI Press.
- World Bank. (2006). Poverty Alleviation Strategies. [Online] Available: www.worldbank.org/poverty/strategies (22nd March, 2009).

Table 1. List of Respondents on Developing SMEs in Nigeria

Types of	Population	Sample	% Sample
AAUA Students	235	90	38.2
OAU Students	250	65	26.0
Private	280	75	20.8
Members, TUC	455	110	24.2
TOTAL	1,220	340	28.3%

Source: Research Data, January, 2010

Table 2. Respondents' View on the Level of Patronage of IDC services by the Entrepreneurs

S/N	Respondents	Often	Occasionally	Rarely	Not at all	Not sure	Total
1.	AAUA Students	31	28	19	09	03	90
2.	OAU Students	26	18	11	08	02	65
3.	Private Entrepreneurs	37	31	04	02	01	75
4.	Trade Union Congress (TUC)	59	29	12	06	04	110
						TOTAL	340

Source: Research Data, January, 2010

Table 3. Analysis of Respondents' View on the Level of Patronage of IDC Services by the Entrepreneurs Using Weighted Scores

Respondents	4 Often	3 Occasionally	2 Rarely	1 Not at all	0 Not sure	N	Total	Mean	Interpretation
1. AAUA Students	124	84	38	09	0	90	255	2.83	A
2. OAU Students	104	54	22	08	0	65	188	2.89	A
3. Private Entrepreneurs	148	93	08	02	0	75	251	3.34	A
4. Trade Union Congress (TUC)	236	87	24	06	0	110	353	3.20	A

Source: Research Data, January, 2010

Table 4. Respondents' View on the Impact of IDC Services on the Development of Small and Medium Enterprises

S/N	Items	4 SA	3 A	2 D	1 SD	0 U	Total
1.	Obtaining IDC services enable one to be conversant with information on SMEs	98	111	65	60	06	340
2.	Training services at IDC have led to the emergence of young entrepreneurs.	115	94	58	65	08	340
3.	IDC Consultancy services have renovated so many dilapidated indigenous industries in Nigeria	92	85	79	75	09	340
4.	IDC exposes students of higher institutions of learning to so many vocations for self sufficiency	89	108	75	61	07	340
5.	Development of feasibility plan for entrepreneurs is hasten through IDC.	91	102	85	59	03	340

Source: Research Data, January, 2010

Table 5. Analysis of Respondents' View on the Impact of IDC Services on the Development of SMEs using Weighted Scores

Items	4 SA	3 A	2 D	1 SD	0 U	N	Total	Mean	Interpretation
1. Obtaining IDC services enable one to be conversant with information on SMEs	392	333	130	60	0	340	915	2.69	A
2. Training services at IDC have led to the emergence of young entrepreneurs.	450	282	116	65	0	340	913	2.68	A
3. IDC Consultancy services have renovated so many dilapidated indigenous industries in Nigeria	368	255	158	75	0	340	856	2.51	A
4. IDC exposes students of higher institutions of learning to so many vocations for self sufficiency	356	324	150	61	0	340	891	2.62	A
5. Development of feasibility plan for entrepreneurs is hastened through IDC.	364	306	172	59	0	340	901	2.65	A

Source: Research Data, January, 2010

Table 6. Respondents' View on the Types of Services Provided by IDC to its Clientele

S/N	Items	4 SA	3 A	2 D	1 SD	0 U	Total
1.	Feasibility Studies	90	95	81	69	05	340
2.	Training on Ceramics, Leather, woodwork, textile et.c.	205	89	20	22	04	340
3.	Proposal development for entrepreneurs	91	88	86	70	05	340
4.	Consultancy Services	98	86	79	68	09	340
5.	Product development and Production planning and control	81	87	86	79	09	340

Source: Research Data, January, 2010

Table 7. Analysis of Respondents' View on the types of services provided by IDC to its clientele using weighted score

Items	4 SA	3 A	2 D	1 SD	0 U	N	Total	Mean	Interpretation
1. Feasibility Studies	360	285	162	69	0	340	876	2.57	A
2. Training on Ceramics, Leather, woodwork, textile et.c..	820	267	40	22	0	340	1149	3.37	A
3. Proposal development for entrepreneurs	364	264	172	70	0	340	870	2.55	A
4. Consultancy Services	392	258	158	68	0	340	876	2.57	A
5. Product development and Production planning and control	324	261	172	79	0	340	836	2.45	D

Source: Research Data, January, 2010

Table 8. Respondents' View on the Influence of IDC on the Promotion of Industrial Growth and Development in Nigeria

S/N	Items	4 SA	3 A	2 D	1 SD	0 U	Total
1.	Encouraging students who patronize to be self employed after graduation	189	100	30	15	06	340
2.	Promoting Vocational Skills Acquisition among Youths	150	121	47	20	02	340
3.	Empowering beneficiaries with a micro-credit loan	45	52	97	135	11	340
4.	Reducing the rate of unemployment in the country	112	89	70	61	08	340
5.	Contributing to Poverty Reduction	102	94	69	60	05	340

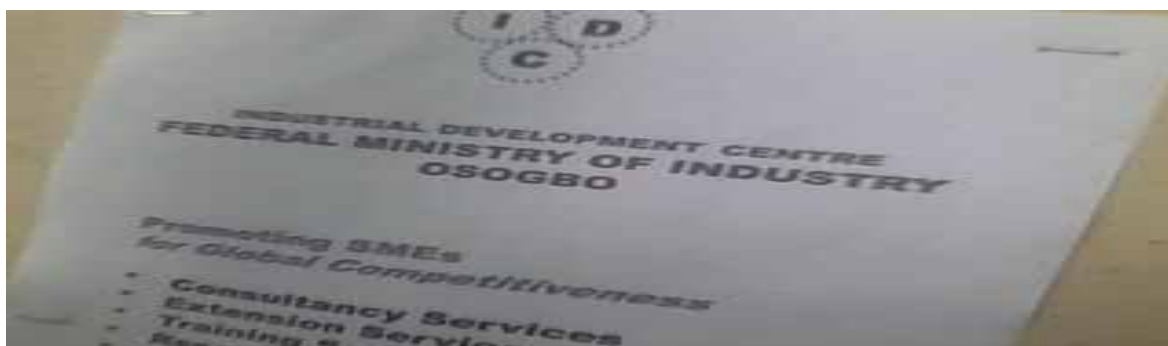
Source: Research Data, January, 2010

Table 9. Analysis of Respondents' View on the Influence of IDC on the Promotion of Industrial Growth and Development using Weighted Score

Items	4 SA	3 A	2 D	1 SD	0 U	N	Total	Mean	Interpretation
1. Encouraging students who patronize to be self employed after graduation	756	300	60	15	0	340	1131	3.32	A
2. Promoting Vocational Skills Acquisition among Youths	600	363	94	20	0	340	1077	3.16	A
3. Empowering beneficiaries with a micro-credit loan	180	156	194	135	0	340	665	1.95	D
4. Reducing the rate of unemployment in the country	448	267	140	61	0	340	916	2.69	A
5. Contributing to Poverty Reduction	408	282	138	60	0	340	888	2.61	A

Source: Research Data, January, 2010

APPENDIX



Industrial Development Centre (IDC) Osogbo, Nigeria



A staff of IDC, showing students the rudiments of making tea-cup out of clay



One of the training programmes in making tea-cup out of clay in Ceramic Department of IDC.



Ceramics Materials produced at Industrial Development Centre (IDC), Osogbo, Nigeria.

Source: Research Data, January, 2010. (By Hassan & Olaniran)



Laundry soap and mixing machines, Food and Chemical Department of IDC, Osogbo, Nigeria



Students receiving training on how to use machines to cut metal in Metal department of IDC



Batik and dyeing materials produced at Textiles Department of IDC



Leather Department where entrepreneurs are being trained on how to use leather to produce materials like leather shoe, leather bag, leather belt e.t.c.

Source: Research Data, January, 2010. (By Hassan & Olaniran)