

TITLE PAGE

**GOVERNMENT POLICIES AND PROGRAMMES ON
FINANCING MICRO, SMALL AND MEDIUM ENTERPRISE IN
NIGERIA**

BY

**USMAN ALHASSAN
PGDM/12120905023**

**THIS PROJECT IS SUBMITTED TO THE DEPARTMENT OF
BUSINESS ADMINISTRATION FACULTY OF MANAGEMENT
SCIENCES USMANU DANFODIYO UNIVERSITY, SOKOTO**

**IN PARTIAL FULFILLMENT FOR THE AWARD OF POST
GRADUATE DIPLOMA IN MANAGEMENT (PGDM)**

DECEMBER, 2014

APPROVAL PAGE

This project has been carefully read and approved in partial fulfillment of the requirement for the award of a post graduate diploma in management sciences

Dr. Maryam A. Koko
Project Supervisor

Date

Dr. M.S. Umar
Head of Department

Date

External Examiner

Date

DEDICATION

This project is dedicated to those who have high value for knowledge, May the Quest for intellectual curiosity and proficiency in whatever we do, not be in vain (Amin)

ACKNOWLEDGEMENT

All praise and thanks are to almighty the all-knowing Allah who made it possible from the very start to this point, verily Allah has power over all affairs. I exceedingly express my gratitude to those individuals who made it possible for me to complete this work.

I am particularly much indebted to my supervisor Dr. Maryam A. Koko for not only her professional guidance, but for materials (Notes, papers presented at seminars) which were very useful for this project.

I must well recognize the support of my family members and wife.

I must well recognize my divisional Head Alhaji Mal. Lawal Danlami for his kindness and support and equally all the staff of Federal High Court Sokoto Judiciary Division.

Finally, let me than my course mate Masood, Zainab (VP) Saidk and Abdulmunin and others whom I did not mention their names for all what you people denied yourself for my sake, thank you all !!.

TABLE OF CONTENTS

Contents

TITLE PAGE	i
APPROVAL PAGE	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
CHAPTER ONE.....	1
INTRODUCTION	1
1.1 BACKGROUND OF THE STUDY	1
1.2 STATEMENT OF THE PROBLEM.....	2
1.3 OBJECTIVES OF STUDY.....	3
1.4 SIGNIFICANCE OF STUDY	4
1.5 RESEARCH QUESTION:.....	5
1.6 STATEMENT OF HYPOTHESIS.....	5
1.7 SCOPE OF STUDY	6
CHAPTER TWO	7
LITERATURE REVIEW.....	7
2.0 INTRODUCTION	7
2.1 DEFINITION OF MICRO SMALL AND MEDIUM ENTERPRISES	7
2.2 FINANCIAL PROBLEMS FACED BY MSME'S BEFORE GOVERNMENT INVENTION.	10
2.3 GOVERNMENT POLICIES AND PROGRAMMES ON FINANCING MSMES INVESTMENT IN NIGERIA	11
2.3.1 NATIONAL ECONOMIC RECONSTRUCTION FUND ACT.....	11
2.3.2 CENTRAL BANK POLICES/GUIDELINES/SCHEME.....	13
2.3.3 MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF)	14
2.3.4 NATIONAL DIRECTORATE OF EMPLOYMENT (NDE).....	15
2.3.5 THE PEOPLE'S BANK OF NIGERIA (PBN).....	16

2.3.6 COMMUNITY BANKS (CBS).....	17
2.3.7 NIGERIAN AGRICULTURAL, CO-OPERATIVE AND RURAL DEVELOPMENT BANK (NACRDB).....	18
2.3.8 THE BANK OF INDUSTRIES (BOI).....	19
2.3.9 SMALL AND MEDIUM INDUSTRIES EQUITY INVESTMENT SCHEME (SMIEIS)	20
2.3.10 MICRO-FINANCE BANKS	22
2.3.11 THE SMEDAN.....	23
2.3.12 THE NATIONAL ECONOMIC EMPOWERMENT AND DEVELOPMENT STRATEGY.....	24
2.3.13 ENTREPRENEURSHIP DEVELOPMENT CENTRES (EDCS)	25
2.3.14 SMALL AND MEDIUM SCALE ENTERPRISES GUARANTEE SCHEME (SMEGS).....	25
2.4 THE IMPACT OF SUCH POLICIES/PROGRAMMES TO MSMES	27
CHAPTER THREE	30
3.0 RESEARCH METHODOLOGY	30
3.1 INTRODUCTION.....	30
3.2 RESEARCH DESIGN	30
3.3 POPULATION AND SAMPLE SIZE.....	30
3.4 INSTRUMENT OF DATA COLLECTION	31
3.5 RELIABILITY OF THE INSTRUMENT	31
3.6 METHOD OF DATA COLLECTION.....	32
3.7 METHOD OF DATA ANALYSIS.....	32
3.8 VARIABLE MEASUREMENT AND SCALING VARIANCE.....	33
CHAPTER FOUR.....	35
DATA PRESENTATION AND ANALYSIS.....	35
INTRODUCTION	35
4.4 DATA ANALYSIS ON THE MSMEs RESPONSE TO THE QUESTIONS.....	48
4.5 HYPOTHESIS TESTING	50
4.6 SUMMARY OF FINDINGS.....	53
CHAPTER FIVE	55

SUMMARY, CONCLUSION AND RECOMMENDATION	55
5.1 SUMMARY	55
5.2 CONCLUSION	56
5.3 RECOMMENDATION	57
BIBLIOGRAPHY	60
QUESTIONNAIRE	62

ABSTRACT

Adequate supply of financial resources is a necessary condition for the survival of any business. This study tends to review government policies and programmes on financing MSMEs in Nigeria. Both primary and secondary data were employed to arrive at the results with the use of statistical method of testing hypothesis chi-square (X^2) $13.62 > 9.49$ the calculated value is greater than the critical or table value. The results reveal that there is a significance effect between government policies/programmes towards growth and development of MSMEs in Nigeria. This study recommend that government should not relent in its effort of creating more awareness and enlightenment campaign about its policy and programmes and MSMEs should use the said loan or government grant on the purpose the loan/grant is meant for through strict supervision of project by the government agent.

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The financing of micro, small and medium enterprises investment is today the major pre-occupation in various economies in the world and Nigeria in particular, there is a general consensus among such enterprises stakeholders in the country that accessing finances and financial services is the major problems affecting the sector and the economy. Adequate and access financing is a necessary condition for the survival of any business enterprise and considering the fact that the contribution of micro small and medium enterprise to employment generation and capacity building.

It was based on those fact that the successive government in Nigeria initiated programmes and policies toward financing MSMEs with the intention of enhancing availability of funds for enterprises development in the country.

Some of this policies include the one issue by central bank of Nigerian (CBN) annual guidelines for banking

operation in the country, thus guidelines have consistently serve as a policy directing commercial banks to extend Ten (10) persons of all loan advances to micro small and medium enterprises. The policy was later modified and allowed banks to extend 10% of their profit before tax to such enterprises.

Also in order to encourage entrepreneur micro, small and medium to secure loan the government come up with policy and programmes Nigeria export import Bank (Nexim) was established to offer incentive of guarantee and facility to local entrepreneurs to boost export, the introduction of national credit guarantee scheme (NCGS) aimed at providing financial support to mention just but few.

Although, if efficiently carried out/implemented the economy would be able to mobilize or yield proportionate result in terms of financial accessibility, that no viable project like micro, small and medium enterprises is frustrated due to lack of finance.

1.2 STATEMENT OF THE PROBLEM

There has been public outcry and critics of Governments policies and programmes especially toward financing of micro

small and medium scale enterprise, the society see the government as neglecting their functions and responsible to the society by paying little attention to public which they are meant to serve.

The extent to which financial intermediation through policies and programmes can favourably influence the national economy depends on the number of policies / programmes that are put in place by government and in accordance to the financial needs of such businesses.

Another fundamental issue which needs to be properly analysed has to do with the possible effects of those policies and programmes of micro, small and medium enterprises if properly implemented.

1.3 OBJECTIVES OF STUDY

1. To review government policies and programmes toward financing of micro, small and medium enterprises investment in Nigerian
2. To Ascertain the importance of such programmes and policies to MSME investment in Nigeria

3. To find out the problem encountered by MSME financing in Nigeria
4. To find how to access to those policies and programmes

1.4 SIGNIFICANCE OF STUDY

The benefits to be derived from thus type of study is multi – facet

Firstly, the micro, small and medium enterprise operators will benefit from the study, because it is going to serve as an eye opener to them, that is, they will identify the policies and programmes in financing of the business by the government and how to have access to such programmes.

Also, to the government, the will understand the impact of such policies and programmes to MSMEs operators and the importance in promoting economic development. Lastly, the findings of this study will serve as a source of material, (secondary data) for students, MSMEs operator researchers who are carrying out similar study of this nature, and also my own contribution to the development of knowledge of MSMEs business financing policies and programmes by the government.

1.5 RESEARCH QUESTION:

As a consequence of the objectives high lighted, this study will attempt to provide answers to the following questions.

1. What are the financing problems faced by MSMEs before the government intervention through those policies and programmes?
2. What policies and programmes do the government uses in assisting the financing MSME investment in Nigeria?
3. How do MSME operators get access to those policies and programmes?
4. What is the effect of such policies/Programmes to MSME investment?

1.6 STATEMENT OF HYPOTHESIS

The purpose of the hypothesis is to enable the researcher make inference about an unknown parameter, a test is performed in order to verify whether a hypothesis is true or false by using information obtained from a sample from one of the question or questions obtained in the questionnaire related to the hypothesis

Ho: There is no significant effect between government policies/programme toward growth and development of MSMEs in Nigeria

H₁: There is significant effect between government policies/programmes toward growth and development of MSMEs in Nigerian.

1.7 SCOPE OF STUDY

The general scope of the study in line with the topic, the researcher will concentrate on the evaluation of the “Government policies and programmes on the financing micro, small and medium enterprise investment on Nigeria the researcher will evaluate the impact of the policies and programmes on financing as the bedrock of promoting MSME in Nigeria.

This study will lay special emphasis the policies and programmes that encourage MSME investment in the Nigeria.

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

In the study of financial micro small and medium enterprises in Nigeria, it is importance to know how these MSME's are helping the economy to grow. It is against the background of the fact that the federal government introduced or created policies and programmes on financing MSME's investments development in responding to the most common complain among operators of MSME's

2.1 DEFINITION OF MICRO SMALL AND MEDIUM ENTERPRISES

In general terms, the definition of Micro small and medium enterprises varies form country to country, industry to industry as well as financial institution to another if the cost of project is a criterion or parameter, price inflation may render the definition meaningless, in short term, if number of employees is used, the definition would tend to ignore the fact that some firms are purely capital oriented with very few employees and still their sales turnover and profit may be

relatively high i.e. management consultant, audit, law and insurance firms etc.

However, Association of enterprises opportunity (AEO) in united states have defined a micro enterprise as a business with five or fewer employees and many of these business have no employees other than the self-employed owners. Additionally, such business generally need less than \$35,000 in loan capital and does not have access to the conventional commercial banking sector.

The European Union E.U defines Micro enterprises as those that meet two of the following three (3) criteria and have not fail to do so for at least 10 years

- i. Fewer than 10 employees
- ii. Balance sheet total below 2 million euros'
- iii. Turnover below 2 million Euros'

Generally, speaking in developed countries, Micro enterprises comprises the smallest and (by size) of the small business sector, whereas, in developing countries it comprises the vast majority of the small business sector a result of the relative

lack of formal sector jobs available for the poor. these entrepreneurs operates not by choice, but out of necessity.

The federal ministry of industries (1989) defined a small and medium enterprises as that with a total cost not exceeding N500,000 (excluding the cost of land). while world Bank at that same period defined SME as any on going concern whose total project cost does not exceed N300,000

Small and medium enterprises (SME's) are defined as entities with asset base of N500,000 and not more than N500 million (Excluding land and buildings) with labour force (employee's) of between 11 and 200

An holistic view as expressed by the committee for economic development (CED) in the united State, considered a business to be small and medium when at least two or the following characteristics prevails.

- a. The managers are often the owners
- b. Capital is furnished by an individual owners(s) or a small group
- c. The area of operation is local (though market served need not to be local)

- d. The business is small in comparison with the larger competitors in its industry.

If we put together the above features, then we can summarize by saying that “a small and medium scale enterprise is self initiated, largely self financed, closely self managed and it of relatively small size when considered as part of the industry.

2.2 FINANCIAL PROBLEMS FACED BY MSME’S BEFORE GOVERNMENT INTERVENTION.

Capital inadequacy has remained a major barrier and greatest problem for growth; development and survival of MSMEs in Nigeria, some of the problems are as follows:

1. High interest rates 20% and above percentage attached to credits and loans, lending principles of financial institutions (commercial banks) i.e. 5cs of credit this are criteria lenders will weight heavily before considering one for loan.
2. In Nigeria, banks particularly the Agriculture development banks are mandated to give loans to MSMEs business, but the inability of most MSMEs business owners and

intending entrepreneur to present the required collateral remains a major setback.

3. Also, Accessibility and availability of credit, perennial problem of shortage of working capital and capital for development hinder their ability to produce efficiently and effectively. It was discovered that organized private sector funding credit facilities are not easily assessable and available to MSMEs operators in Nigeria.
4. Due to the above mentioned problems faced by MSMEs, the general public outcry and the importance of MSMEs to the nation economy, the government now formulated series of fiscal financial polices and programmes geared towards the growth, development and survival of MSMEs in the country by ensuring easy flow of funds to MSMEs sector.

2.3 GOVERNMENT POLICIES AND PROGRAMMES ON FINANCING MSMEs INVESTMENT IN NIGERIA

2.3.1 NATIONAL ECONOMIC RECONSTRUCTION FUND ACT.

Thus act was establish to correct inadequacies in the provision of medium to long term financing to small and medium scale

industrial enterprises, provide medium and long term credit to commercial banks for a lending and for matters connected there with the aim and objectives of this fund are

- i. Correct any observed inadequacies in the provision of medium to long term financing to SMEs especially manufacturing and agro allied enterprises and ancillary services.
- ii. Provide medium to long term loans to participating commercial and merchant banks for on lending to SME's. For the promotion and acceleration of productive activities in such enterprises

And for one to be eligible for fund under this act.

- i. the project or enterprises must be wholly owned by Nigerians
- ii. the cost or the investment project does not exceed 10 million excluding land
- iii. And in case of manufacturing enterprises or project, at least 40% of its raw materials and other production inputs is at present locally derived or at least 60% shall, by 30th September 1990, be so derived

iv. Lastly under this act preference shall be given to enterprises or project located in the rural areas.

The National economic reconstruction fund (NERFUND) is now being repositioned to contribute to the growth and development of MSME's sector. The federal Government has recently released N2 billion to the fund for direct lending to the MSME sub sector in disbursing the fund, NERFUND signed an MOU with SMEOAN and other principal stakeholder. Within the sector to channel application with a bankable business plan from their clients to ensure adequate outreach. The objective is to stimulate the MSME's and realign them towards the economic aspiration of the government.

2.3.2 CENTRAL BANK POLICES/GUIDELINES/SCHEME

The government along with central bank of Nigeria (CBN) has created policies to finance SME's some of such police are, the annual guidelines for banking operations in the country, thus guidelines have consistently serve as a policy directing commercial banks to extend to ten (10% percent of all their loan advances to SMEs business, the policy was later modified

and allowed banks to extend 10% percent of their profit before tax to MSMEs

Agricultural credit guarantee scheme of the CBN, provides credit for various agricultural enterprises under a guarantee a fund model. It enable farmers to enjoy a refund of up to 40% of interest paid on credit facilities under an interest paid on draw back programme sponsored by the Federal government and CBN under this guarantee fund credit a farmer is able to have access to credit a farmer is able to have access to credit facility of up to N1 million even when you can only provide 25% security cover for your borrowing, farmers with collateral can access as much as N10 million under the scheme.

2.3.3 MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF)

Section 6.10 of the revised micro finance policy, regulatory and supervisory framework for Nigeria stipulates that “a microfinance development fund shall be set up primarily to provide for the wholesale finding requirements of micro finance Banks/Microfinance institutions”, the policy

also stipulate 80:20 prescription for on-lending micro enterprises and SME's respectively it was later renamed MSMEDF by central Bank of Nigeria with a seed capital of N200 billion. Considering the peculiar challenges faced by women in accessing financial services in Nigeria, the revised policy section 4.2 (iv), provides that women's access to financial services should be increased by 15% annually in order to eliminate gender disparity; in order to achieve this 60% (132 billion) of the fund has been earmarked for providing financial services to women.

In operating the fund, special consideration shall also be given to institutions that will provide financial services to graduates of the CBN entrepreneurship development centre's (EDCs)

2.3.4 NATIONAL DIRECTORATE OF EMPLOYMENT (NDE)

The Federal Government introduced the programme in November 1986 to tackle the menace of unemployment in the country. To this end, NDE had disbursed about N70 million to about 2,000 beneficiaries. It was estimated that over 140,000 jobs have been created through this medium.

This has boosted the growth and development of cottage and small-scale industries in the country (Wachukwu, 1992),

The programme also operates two credit guarantee schemes complemented by an entrepreneurial development programme to assist in the development of SMEs. The two credit schemes are the Graduate Job Creation Loan Scheme (GJLS) and the Mature People's Scheme (MPS). Facilities under the two schemes are repaid over a five-year period at a concessionary interest rate with varying periods of moratorium. SME projects covered included soap making, food processing and flour milling (Sanusi, 2003a).

NDE like other programmes in the country has demonstrated woeful failure to bridge the financing gap of Nigeria's SMEs because of shortage of funds as well as high rate of default by beneficiaries (Adegbite, 1997).

2.3.5 THE PEOPLE'S BANK OF NIGERIA (PBN)

The People's Bank was established in 1989 to provide an alternative accommodation to micro-enterprises, which had been denied credit by existing institutions and programmes. In its lending programme, it does not ask for collateral but

collects a service charge of 5 percent and the loans are given out on the basis of group membership in order to ensure prompt repayment (Olorunshola, 2001).

The bank also extends credit facilities to both rural and urban-based low-income traders, craftsmen and micro-enterprises.

2.3.6 COMMUNITY BANKS (CBS)

The Community Banking Scheme was introduced in 1990 as a vehicle for self-development. A Community Bank is a unit bank owned and managed by its community or group of communities for providing deposits, credit, banking and other financial services to its members on the basis of self-recognition and credit worthiness (Olorunshola, 2001).

The law establishing the community banking system was promulgated in 1991 and the first set of community banks came into existence in 1992. By the end of September 1994, over 750 community banks had been provisionally licensed nationwide, out of which 648 were fully operational. Thus, virtually all the loans and advances granted to community banks go to micro-enterprises and small-scale businesses.

Also attempts are being made to expand the scope of their activities to cover other SME lending programmes, and to promote entrepreneurship development at the grassroots (Adegbite, 1997).

People Banks and Community Banks could not help in providing adequate finance to SMEs as the two banks are now more or less grounded due to poor loan recovery, fraud, the embezzlement of banks funds and poor management (Adegbite, 1997). Adeboyeke, (2003) added that, although, the operation of peoples banks showed modest growth in loans and advances, their operations could not be sustained due mainly to high default rate, low savings mobilization, inadequate funding from government and low operational efficiency.

2.3.7 NIGERIAN AGRICULTURAL, CO-OPERATIVE AND RURAL DEVELOPMENT BANK (NACRDB)

In 2001, the People's Bank of Nigeria along with the risk assets of Family Economic Adjustment Programme (FEAP) was merged to form the Nigerian Agricultural, Co-operative and Rural Development Bank (NACRDB) limited. The new bank

finances all classes of agricultural projects, small and medium scale business (Garba, 2004). The bank is also structured to accept deposits and offer loans and advances in which the interest rates are graduated according to the purpose for the loan to Nigerians and their business in addition to a number of financial products such as target savings; start-up as well as smallholder loan schemes (Anyawu, 2003).

2.3.8 THE BANK OF INDUSTRIES (BOI)

The Bank of Industry (BOI) limited was established in 2001, with an authorized share capital of N50 billion (about US \$500 million), to replace the three erstwhile development finance institutions notably the Nigerian Bank for Commerce and Industry (NBCI), the National Economic Reconstruction Fund (NERFUND) and the Nigerian Industrial Development Bank (NIDB). The bank has responsibilities covering the provision of adequate working capital for small and medium industries at generous terms that permit their profitability (Akinawo, 2003). The bank subjects the SMEs borrowers to normal credit appraisal standards with an interest rate of 10 percent per

annum for long-term loans and 12.5 percent interest per annum for short-term facilities (Ajikanle, 2003).

For instance, in the last three and half years, the Bank of Industry (BOI) has been inundated with funds. BOI is now relatively well funded and should rise above its current mediocre performance. Some of the funds being managed by BOI currently include the N500 billion funds for the refinancing of facilities granted manufacturing companies, the aviation industry intervention fund and the power sector fund. There is also the N10 billion fund for rice processors and various counterpart funding provided by state governments. Even a key industrialist in the private sector, Aliko Dangote, has a N5 billion counterpart fund running with BOI to support industrial growth. (Osagie 2012)

2.3.9 SMALL AND MEDIUM INDUSTRIES EQUITY INVESTMENT SCHEME (SMIEIS)

The SMIEIS is a voluntary scheme of the Banker's committee requiring all licensed banks in the country to set aside 10 percent of their profit before *tax* (PBT) for equity investment and promotion of SMEs. The scheme is intended by the

Banker's committee (whose membership includes all the Managing Directors and Chief Executive Officers of Banks in Nigeria) to Stimulate economic growth and development, develop local technology, and generate employment.

The establishment of the SMIEIS was informed by the lingering problems of the dearth of long-term funding and poor business management skills which have inhibited the realization of the potentials of the SMEs as the engine of growth in the Nigerian economy, despite the various schemes that had been initiated in the past to provide incentives for development of this sector (Sanusi, 2003). Thus, the goal of the SMIEIS is to reduce SMEs borrowing and consequently relieve them from interest and other bank charges that are not favourable to their capital structure. It also espouses the provision of financial, advisory, technical and managerial support to SMEs by banks (Nigeria Business Info. 2002). SMIEIS has fail to bridge the funding gap, as equity is still difficult to raise by SMEs largely because "of lack of trust by equity providers as well as lack of awareness about the scheme among SME owners.

2.3.10 MICRO-FINANCE BANKS

The Central Bank of Nigeria, in 2005, designed the Microfinance Policy Regulatory and Supervisory framework, which was launched on December 15, 2005. The objectives of the microfinance policy are to make financial services accessible to the 65 per cent of productive Nigerian population, which otherwise would have had little or no access to financial services and empower them to contribute to rural transformation; promote linkage platforms among universal/development banks, specialized institutions and microfinance banks; promote linkage programmes between universal/development banks, specialized institutions and micro-finance banks; enhance service delivery by micro-finance institutions to micro, small and medium scale entrepreneurs; and promote synergy and mainstream the informal sub-sector into the national financial system.

The policy targets are to, among others, cover the majority of the poor but economically active population by year 2020, thereby reducing unemployment and poverty; increase the share of micro credit as percentage of total credit to the

economy from 0.9 per cent in 2005 to, at least, 20 per cent in 2020, and the share of micro credit as percentage of GDP from 0.2 per cent in 2005 to, at least, 5 per cent in 2020; enhance women's access to financial services by 5 per cent annually; and promote the participation of, at least, two-thirds of state and local government in micro credit by 2015.

2.3.11 THE SMEDAN

The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) was established by the Small and Medium Industries Development Agency (SMIDA) Act of 2003 to promote, nurture, and modernize SMEs in Nigeria.

Its core programmes are: (i) sourcing and providing business information, (ii) designing and establishing business support centres (BSCs) and industrial parks (IPs), (iii) capacity building and promotion services, (iv) linking micro, small, and medium scale enterprises (MSMEs) to sources of finance, and (v) developing policy on MSMEs for improvements in policy intervention (SMEDAN, 2004).

Unfortunately, the impact of SMEDAN on entrepreneurship development and performance is yet to be felt.

2.3.12 THE NATIONAL ECONOMIC EMPOWERMENT AND DEVELOPMENT STRATEGY

The key element of the strategy that is of interest in this project is the sectoral strategy for industry/SMEs. The strategies of infrastructure development and banking are also meant to be supportive of entrepreneurial development and performance.

The impact on SMEs, however, seems to be dilute considering the results of the Central Bank of Nigeria-sponsored baseline economic survey of SMIs in Nigeria (Central Bank of Nigeria, 2005; Inegbenebor, 2006). In particular, measures of awareness, readiness, and capacity to access bank financing (e. g.. SMEEIS) are poor and discouraging. The banking reform which aimed at altering the banking orientation from deposit-driven to credit-driven mindset (Nnanna, 2006) is yet to be realized. In particular, Moruku (2011) found that banks have been unwilling to finance SMEs, as suggested in the declining percentage of loan disbursements to SMEs from 1992 to 2007 (see Appendix).

2.3.13 ENTREPRENEURSHIP DEVELOPMENT CENTRES (EDCS)

In line with the objectives of promoting the growth of micro enterprise, the central bank of Nigeria had in the year 2008 initiated the establishment of entrepreneurship development centres to ensure sustained supply of skilled entrepreneurs to complement the micro finance policy launched in 2007. the EDCs had been established on a pilot phase in Onisha (south-east zone), Kano (North-west zone) and Lagos (south-west zone) (CBN 2005).

2.3.14 SMALL AND MEDIUM SCALE ENTERPRISES GUARANTEE SCHEME (SMEGS)

The most recent initiative to grow the sector by the CBN is the establishment of N200 billion Small and Medium Scale Enterprises Guarantee Scheme (SMEGS) to provide credit by SMEs and establishment of Commercial Agriculture Scheme (CACS) in collaboration with the Federal Ministry of Agriculture to develop agriculture value chain in Nigeria.

The CBN in 2010 established the N200 billion SMEGS with the aim of promoting access to credit by SMEs in Nigeria, this

intervention fund of N200 billion is being managed by the Bank of Industry (BOI). for the purpose of fast-tracking the development of the manufacturing sector of the Nigerian economy *by* improving access to credit as well as providing guarantee for credit from banks or SMEs to the objectives.

The fund will complement other special initiatives of the CBN in providing concessionary funding for agriculture such as ACGS which is mostly for small scale farmers, interest draw back scheme, agric support scheme etc. lime ending, 201 1. 24 applications valued at N 1.356,500 billion were received Iron deposit money banks. Out of which six projects valued at N307.500.500 have so far been guaranteed, while 18 projects valued at N 1,049,900 are at various stages of processing for approval, a document from CBN showed.

According to the CBN the scheme has improved bank lending to the real sector as the entrepreneurs under this scheme enjoy cheap source of finance at 7 percent interest rate and easy-access to credit. There have been several initiatives in the past taken by the CBN to grow the SMEs sector in Nigeria but none appears to have yielded the desired result. Some suffered

abrupt reversal like the policy that mandated banks to set aside one percent of their profits before tax to finance SMEs i.e SMIES.

2.4 THE IMPACT OF SUCH POLICIES/PROGRAMMES TO MSMES

Although small and medium enterprises equity investments scheme (SMEEIS) received criticism due to a lack of success and underutilization, out of a total N18.9 billion invested by banks in its disposal for the country, 24 states that investment were made, only a state got funding from the nineteen northern state, 12 states were completely untouched by the initiative, lack of geographic coverage, disbursing of 30% of its funding, were it major criticisms, but despite that some financial institutions i.e. first bank received awards by CBN, the official initiator of SMEEIS:

- i. First bank received the best SMEEIS support venture capital company 2006 by CBN
 - ii. Friendliest SMC financial institution from manufacturers association of Nigeria (MAN)
- organizations that received awards also are:

1- Matna foods limited, a cassava processing company received

Best SMEE's entrepreneurs: export under the CBN's SMEEIS entrepreneurship award category (2007)

Best SMEEIS entrepreneur: Export 2008

2- Planet one entertainment limited, an industry leader in the entertainment/hospitality industry was adjudged the "2008 Best SMEEIS Entrepreneur: Most innovative product (services)".

3- Total Health Trust (THT): One of the leading health maintenance organization (HMO) in the fast emerging managed care segment of the Nigerian health sector emerged as "2007 Best SMEEIS Entrepreneur: Small Business Model".

Although despite those success stories recoded SMEEIS was halted, the government has chosen to approach the need for funding by imitating, micro, small and medium enterprises the fund absorbed the extra SMEEIS capital that had not been invested in projects as its closet take off seed capital is N220 billion.

The basic criticism of the fund is that 60% of the fund is committed to provide financial services to women or women-owned enterprises or operated by female Nigerians, through microfinance banks, institution finance companies, lending institutions, which is easier to disperse money directly to whom to be entrepreneur considering the geographic coverage set up through out the country.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 INTRODUCTION

The purpose of this chapter is to indicate the ways the research has been organized and conducted, type and source of data collected and method used in analyzing the data collected, the aim is to explore the government policies and programmes on financing micro, small and medium enterprise investments in Nigeria.

3.2 RESEARCH DESIGN

This represent the formal structure by which the study is designed to produce accurate descriptions of relevant decision been faced by the researcher, for the purpose of this study, the researcher will employ survey design, under this method, a sample of MSMEs operating in Sokoto State and see their opinion on the topic under study.

3.3 POPULATION AND SAMPLE SIZE

The population size of this study is all the micro, small and medium enterprises in Nigerian, within Sokoto State, but because of their large number, some selected few are taken

into consideration so as to obtain a valid information that would allow the researcher drawn valid conclusion about the study and equally government agencies like CBN Central Bank of Nigeria, SMESIS, NDE offices were equally visited to sample their opinion, 30 MSMEs were selected using convenience sampling to get the sample size of the study

3.4 INSTRUMENT OF DATA COLLECTION

The researcher will make use of questionnaires as the instrument for data collection from the MSMEs owners. The questionnaire is structured in a non-disguised manner where the subject of enquiry is revealed to the respondents with assumption that the respondents will respond in a manner with minimum or no deviation from the set questions, the questionnaire will be developed by the researcher but edited by the supervisor.

3.5 RELIABILITY OF THE INSTRUMENT

This relates to the accuracy and consistency of the result produced overtime, pragmatically, the instrument used for measurement (questionnaire) is technically free of variable error, because even if used on a number of occasions under

the same or similar circumstance, it is essentially the same or similar results that will be obtained each time, this is referred to as test-retest reliability.

3.6 METHOD OF DATA COLLECTION

The administered questionnaires were collected back personally from the management of those selected government agencies and business enterprise, those with tight schedule responses were collected from the assistants or secretaries.

3.7 METHOD OF DATA ANALYSIS

This involves the application of statistical techniques, this study which is descriptive in nature requires measures of central tendency (mean) to analyze the data collected the general formula is:

$$\bar{X} = \frac{\sum fx}{\sum f}$$

Where

\bar{X} = the arithmetic mean

X = mid point of each class

f = frequencies of occurrence of data collected

Σ = sum or summation of values

After computing the mean for each class, likert 5 point scale was used as the decision criteria in the interpretation.

And chi-square method was used to test the hypothesis, it is used to ascertain whether the distribution of values in a sample support a hypothesized population distribution and it is expressed as

$$X^2 = \frac{\sum(O_i - E_i)^2}{E_i}$$

Where:

O_i = Observed frequency

E_i = Expected frequencies

\sum = Summation

To get E_i , we divide the total frequency by the number of options or alternative responses.

3.8 VARIABLE MEASUREMENT AND SCALING VARIANCE

The arithmetic mean was adopted in analyzing the data for this research the Likerts 5 point scale was used for the interpretation of the data. Therefore, each computed mean is compared with the real limits of numbers. According to the

Likerts 5 points scale, the decision criteria in interpreting the data is as follows:

- 4.5 - 5.0 strongly agree
- 3.5 - 4.4 Agree
- 2.5 - 3.4 Undecided
- 1.5 - 2.4 Disagree
- 0.5 - 1.4 strongly disagree

According to this scale, the mean score also referred to as cut off point is 3.5, therefore, any item with a mean of 3.5 and above is considered agreed or adequate, while any mean below 3.5 is inadequate or disagree.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

INTRODUCTION

This chapter gives an insight into the characteristics of the MSMEs owners, in terms of sex, age, academic educational background and number of years in business. The presentation of the data gathered and the analysis is also included in this chapter. This is also followed by the summary of the findings and the discussion of the findings as it relate to the research question of the study.

DEMOGRAPHIC DATA

Table 4.2.1 Sex Distribution

SEX	FREQUENCY	PERCENTAGE
Male	21	70%
Female	9	30%
Total	30	100%

Source: Field Survey

Table 4.2.1 shows that out of 30 MSMEs owners, 21 are male, 9 are female representing 70% and 30% respective of the population, and this shows that men are more engage in

MSMEs than women because of the peculiar nature and culture of Nigeria society.

Table 4.2.2 Age Distribution

AGE	FREQUENCY	PERCENTAGE
Below 25 years	4	13.34%
25-35 years	15	50%
36-45 years	8	26.66%
46 and above	3	10%
Total	30	100%

Source: Field Survey

Table 4.2.2 shows that only 4 MSMEs owners 13.34% are below 25 years of age majority were 25-45 years, this is classified as youth or young adults, those below 25 years of age, the research found out that they are youth who want to venture into business (beginners).

Table 4.2.3 Educational Background of Owners

QUALIFICATION	FREQUENCY	PERCENTAGES
OND/NCE	8	26.66%
HND/BA/BSC	15	50%
MSC/MBA/MPA	3	10%
Others	4	13.34%
Total	30	100%

Source: Field Survey

From table 4.2.3, 8 MSMEs owners 26.66% of the population are OND/NCE holders, 50% are HND/BA/BSC holders, 10% have MSC.MBA MPA, while 13.3% have other qualification this shows that substantial numbers of the respondent has educational background this which help them in their management and record keeping of the business and also ability to access loans.

Table 4.2.4 Number of Years in Business

Years of Experience	Frequency	Percentage
Below 5 years	15	50%
6-10 years	6	20%
11-15 years	5	16.66%
16-above years	4	13.34%
Total	30	100%

Source: Field Survey

Table 4.2.4 shows that 50% of the population of the MSMEs owner have been in business for less than 5 years, 6 respondents represent 20% of the population have experience of between 6-10 years, 5 have a experience of between 11-15 years,. Representing 16.66%, while 4 respondents representing 13.34%, have experience of over 15 years.

Table 4.3.0 Appendix I

Question 1: MSMEs owners response as to level of education has a significant effect to MSMEs ability to get government finds and support.

Alternative responses	Frequencies	X	Fx	\bar{X}	Remarks
Strongly agreed	4	5	20		
Agreed	5	4	20		
Undecided	10	3	30		Undecided
Disagreed	4	2	8	2.8	
Strongly disagreed	5	1	5		
Total	30		83		

Question 2: MSMEs owners response If financing MSMEs is important to Nigerian economy

Alternative responses	Frequencies	X	Fx	\bar{X}	Remarks
Strongly agreed	15	5	75		
Agreed	7	4	28		
Undecided	3	3	9		Agreed
Disagreed	2	2	4		
Strongly disagreed	3	1	3		
Total	30		119	3.9	

Question 3: MSMEs owners response to that there are government policies and programmes that help in financing MSMEs business in Nigeria

Alternative responses	Frequencies	X	Fx	\bar{X}	Remarks
Strongly agreed	12	5	60		
Agreed	9	4	36		Agreed
Undecided	3	3	9		
Disagreed	5	2	10		
Strongly disagreed	1	1	1		
Total	30		116	3.8	

Question 4: MSMEs owners response to the facts that high interest rate, lack of access to financial institution, condition required before granting etc are problems faced by MSMEs before government support.

Alternative responses	Frequencies	X	Fx	\bar{X}	Remarks
Strongly agreed	15	5			
Agreed	7	4	28		
Undecided	5	3	15		Agreed
Disagreed	2	2	4		
Strongly disagreed	1	1	1		
Total	30		123	4.1	

Question 5: MSMEs owners response to the fact that economic development, employment and capacity building were the effect of government policies/programmes towards MSMEs

Alternative responses	Frequencies	X	Fx	\bar{X}	Remarks
Strongly agreed	10	5	50		
Agreed	10	4	40		
Undecided	5	3	13		Agreed
Disagreed	3	2	6		
Strongly disagreed	2	1	2		
Total	30		113	3.7	

Question 6: MSMEs owners response to the question that visiting relative government agencies (federal, state, local and newspapers areas where one can have access to those policies

Alternative responses	Frequencies	X	Fx	\bar{X}	Remarks
Strongly agreed	9	5	45		
Agreed	12	4	48		
Undecided	3	3	9		Agreed
Disagreed	5	2	10		
Strongly disagreed	1	1	1		
Total	30		113	3.8	

Question 7: MSMEs owners response if the agree that financial institution are facing problems in financing MSMEs business in Nigeria

Alternative responses	Frequencies	X	Fx	\bar{X}	Remarks
Strongly agreed	4	5	20		
Agreed	5	4	20		
Undecided	11	3	33		Disagreed
Disagreed	5	2	10		
Strongly disagreed	5	1	5		
Total	30		88	2.9	

Question 8: MSMEs owners response if loan defaulter are among the problem that financial institutions faced in financing MSMEs business in Nigeria

Alternative responses	Frequencies	X	Fx	\bar{X}	Remarks
Strongly agreed	4	5	20		
Agreed	10	4	40		
Undecided	10	3	30		Undecided
Disagreed	4	2	8		
Strongly disagreed	2	1	2		
Total	30		100	3.4	

Question 9: MSMEs owners response if poor judicial proceeding process serve as a problem to financial institution in case of loan default

Alternative responses	Frequencies	X	Fx	\bar{X}	Remarks
Strongly agreed	4	5	20		
Agreed	10	4	40		
Undecided	10	3	30		Undecided
Disagreed	4	2	8		
Strongly disagreed	2	1	2		
Total	30		100	3.3	

Question 10: MSMEs owners response if the government is doing enough and in what areas by financing MSMEs business in Nigeria

Alternative responses	Frequencies	X	Fx	\bar{X}	Remarks
Strongly agreed	4	5	20		
Agreed	5	4	20		
Undecided	10	3	30		Undecided
Disagreed	3	2	6		
Strongly disagreed	6	1	6		
Total	30		82	2.7	

4.4 DATA ANALYSIS ON THE MSMEs RESPONSE TO THE QUESTIONS

The analysis shows in appendix 1 that question 1 has a mean score of 2.8 which is undecided, this shows that most of the respondent are not sure if level of education has a significant effect to MSMEs ability towards getting financial assistance from the government

For question 2, the table shows a mean score of 3.9, which is also agreed, this means that majority of the MSMEs owners agree that financing MSMEs is important to Nigeria economy

Question 3, has a mean score of 3.5 that means the MSMEs owners agrees that there are government policies and programmes that helps in financing MSMEs business in Nigeria

Question 4, has a mean score of 4.1, which means that the MSMEs owners agree that high interest rate, lack of access to financial institution, condition required before granting such facilities were problem faced by MSMEs before government intervention

Question 5 has a mean score of 3.7, that is majority agreed that economic development, employment and capacity building were the effect of such policies and programmes

Question 6 has a mean score of 3.8 which means that the MSMEs owners agrees that visiting relative government agencies, (state, local) federal and newspaper are areas where one can get access to those policies.

Question 7, had a mean score of 2.9, that is disagreed, this means that majority of the MSMEs owners disagreed that financial institution are facing problems in financing MSMEs business in Nigeria

Question 8, has a mean score of 3.4 that is undecided, this means that majority of the MSMEs owners cannot really tell if loan defaulters are among the problem that financial institution faced in financing MSMEs business

Question 9, has a mean score of 3.3 that is undecided this means that majority of the MSMEs owners cannot really tell if poor judicial proceeding process also serve as a problem faced by financial institution in case of loan default.

Question 10, has a mean score of 2.7 that is undecided this means that majority of the MSMEs owners cannot really tell if the government is doing enough in financing MSMEs business in Nigeria.

4.5 HYPOTHESIS TESTING

Ho: There is no significant effect between government policies/programme toward growth and development of MSMEs in Nigeria

H₁: There is significant effect between government policies/programmes toward growth and development of MSMEs in Nigerian.

The statistical test is

$$X^2 = \frac{\sum(O_i - E_i)^2}{E_i}$$

Where

O_i = Observed frequency

E_i = Expected frequencies

∑ = Summation

To get E_i, we divide the total frequency by the number of options or alternative responses.

The level of significance used is 5% $\alpha = 0.05$

Degree of freedom is given by (k-1)

Where

K = row number

I = column number

i.e. d.f = k-1

= 5-1

=4

The critical value is given as $X^2 = 9.49$ (this value can be determined from the table of chi-square using the degrees of freedom and level of significance)

Table 4.3

MSME’s owners responses as to the significant effect of government polices and programmes to their development

Alternative response	O _i	E _i
Strongly agree	10	6
Agreed	10	6
Undecided	5	6
Disagreed	3	6
Strongly disagreed	2	6
Total	30	30

$$X^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

$$\frac{(10-6)^2}{6} + \frac{(10-6)^2}{6} + \frac{(5-6)^2}{6} + \frac{(3-6)^2}{6} + \frac{(2-6)^2}{6} + \frac{(1-6)^2}{6}$$

$$= \frac{4^2}{6} + \frac{4^2}{6} + \frac{-1^2}{6} + \frac{-3^2}{6} + \frac{-4^2}{6} + \frac{-5^2}{6}$$

$$\frac{16}{6} + \frac{16}{6} + \frac{1}{6} + \frac{9}{6} + \frac{16}{6} + \frac{25}{6}$$

$$= 2.6 + 2.6 + 1.5 + 0.16 + 2.6 + 4.16$$

$$X^2 = 13.62$$

Comparing the test statistic with the critical value

$$13.62 > 9.49$$

With reference to appendix I and MSMEs owners responses the calculated value of X^2 is greater than the critical or table value, we reject the null hypothesis and accept the alternative hypothesis and accept the alternative hypothesis. One will conclude that, economic development, employment, and capacity building were the effect between government policies/programmes towards the growth and development of MSMEs investment in Nigeria.

4.6 SUMMARY OF FINDINGS

After presenting and analysis the data in this chapter, this section gives a summary of the findings of this study.

The findings of this research reveal that financing micro, small and medium enterprise investment is very important to the Nigerian economy.

It also shows that there are government policies and programmes towards MSMEs business in Nigeria

Also, the effect of the policies includes economic development, employment generation and capacity building.

However, it is not clear whether banks are facing problem in financing MSMEs in Nigeria, but problems like high interest rate, lack of access to financial institutions, condition required before granting such facilities are the problems MSMEs operators are facing when they approach financial institution, this makes operators of MSMEs not to approach financial institutions.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY

Although the behaviour of a contemporary MSMES in seeking finances is determined by its needs, access to finances and the cost of credit. With interest rate going up to 20% on short or long term basis borrowing, with this condition MSMES are afraid to approach the banks or other financial institution to seek loan to finance their operation. Considering the importance of micro, small and medium enterprise to economy development, employment generation and capacity building. That is why successive government in the national development process initiated policies and programmes toward financial investment MSMEs business in Nigeria.

Thus, this research work looked at government policy and programmes on financing micro, small and medium enterprise investments in Nigeria. It started by introducing the study with a background, statement of problem, objectives of study ,statement of hypothesis, significance and scope of study.

The researcher went ahead in chapter two to discuss in detail, definition of micro, small and medium enterprises government policies and programmes on financial problem faced by MSMEs before government intervention, financing MSMEs investment in Nigeria, and lastly the impact of such policies/programmes to MSMEs.

Chapter three of this work deals with the procedures followed in obtaining data in the course of this research which include preparation and administration of questionnaire to selected micro, small and medium enterprises and expert opinion of my supervisor, survey was adopted other methods like observation will not be adequate to establish those facts.

In chapter four, the researcher analyzed the data obtained to justify the whole project. The measures of central tendency were used to determine the veracity of each question, chi-square was used to test the hypothesis.

5.2 CONCLUSION

This research studied government policy and programmes on financing micro, small and medium enterprise

investments in Nigeria using opinion survey research design. The findings of the study reveal that.

Financing micro, small and medium enterprise investments is very important to the Nigerian economy.

The government has initiated policies and programmes to finance MSMEs like small and medium industries equity investment scheme (SMIEIS)

There is no strong basis to contend that MSMEs are facing any serious problems in financing their investment in Nigerian.

There is clear evidence that MSMEs encounter many problems in accessing finance from government policies, schemes and programmes.

5.3 RECOMMENDATION

The role of government in micro, small and medium enterprise financing cannot be over emphasized by creating/initiating policies and programmes geared towards easy flow of funds to MSMEs sector of the economy.

The government, MSMEs owners and all other stakeholders should consider following recommendations as

areas of improvement needed to aid the smooth running of MSMEs businesses, since they need each other.

- (1) Since, micro, small and medium enterprise business have an impact on the economic development, the government should create better terms and conditions for granting loan to MSMEs owners by commercial financial institution.
- (2) There should be strict supervision on projects for which loans are provided for. It is a necessary strategy that should be used in preventing the mis-use of funds, inspectors from government agencies issuing loans should be on ground to see the actual execution of the project through and after going through the feasibility study of such project.
- (3) The government through it agencies, should not relent in human capital development of whom to be micro, small and medium enterprise operator in the country, and also it staff in granting and recovering of such loans issued to MSMEs, this can be achieved through having interaction with educational and training institutions.

(4) Lastly, the government should also not relent in its effort of creating awareness about its policies and programmes to the public at large through the media, print and electronic etc. because majority of whom to be MSMEs operators are not aware of those policies, schemes and programmes of the government toward the operation financing.

BIBLIOGRAPHY

- Adeboyeke, J.A. (2003), Financing of Small and Medium Enterprise (SMEs) Proceeding of the First Public Lecture on Small and Medium Enterprise, held at Abdulsalam Abubakar Youth Centre, Minna, Niger state 19th July.
- Adegbite. O. (1997), SME Development under the Structural Adjustment Programme in Nigerian Small Scale Enterprise Development, An International Journal Intermediate Publication. London, 8(4).
- Anyanwu, C.M. (2001), "Financing and Promoting of Financing Industries: Concepts, Issues and Prospects", Bullion, Central Bank of Nigeria, 25(3).
- Awoniyi M.A. (2010). A survey of government industrial policy and programmes on SME growth and entrepreneurs development strategy in Nigeria. Atlanta, Georgia USA July, 2010.
- Bankers Committee (2001), Guidelines for the Small and Medium Industries Equity Investment Scheme, June 19th.
- Federal Ministry of Industries (1989) Annual Report
- Garba, A.U (2004) Performance Appraisal of the Farmer Nigerian Agricultural and Cooperative Bank: A Case Study of NACB Minna, Niger State, an Unpublished Undergraduate Research Work, Department of Economics, Usmanu Danfodiyo University Sokoto.
- Onizen B.I. (2002) Policy options for financing the manufacturing subsector in Nigeria CBN Bulletin Vol. 26. No. 1.
- Olurunshola, J.A. (2001), Industrial Financing in Nigeria: A review of Institutional Arrangements, Central Bank of Nigeria, Economic and Financial Review, 39(1): 4555, March.

Robinson, O.A, (2004) Entrepreneurial Challenges in South Africa, Journal of African Business, Vol. 5(2) pg. 173-185

Sanusi, J.O. (2003a), Overview of Government's efforts in the Development of SMEs and the Emergence of Small and Medium Industries Equity Investment Scheme (SMIEIS), A paper presented at the National Summit on SMIEIS organized by the Bankers Committee and Lagos Chamber of commerce and Industries (LCCI), Lagos 10th June.

Sanusi, J.O. (2003b), Small and Medium Enterprises in Nigeria, An opening Remark by Governor Central Bank of Nigeria, at the National Summit on (SMIEIS) held at the Lagos Chamber of Commerce and Industries (LCCI), Lagos 10th June.

Sanusi, J.O. (2003c), Utilization of SMIEIS funds: the Right Approach, a Goodwill Address by the Governor Central Bank of Nigeria to the 9th Bankers Conference held at Sheraton Hotel and Towers Abuja August 14th.

Wachukwu, C.C. (1992), Sources of Finding Small and Medium Enterprise, the Democrat Weekly Sunday 9th February.

Wikipedia (2009) First Bank SMEs funding available at <http://firstbank.com/smefunding/Agric.financing>.

www.firstbank.com/smefunding

QUESTIONNAIRE

Dear respondent,

I am a postgraduate diploma in management science (PDGM) student of the Department of Business administration, Faculty of Management Science, Usmanu Danfodiyo University Sokoto, I am conducting a research on the “government policies and programmes on financing of micro, small and medium enterprise investments in Nigeria”.

It would be highly appreciated if you would kindly provide answers to the following survey questionnaire. All information provided shall be treated as confidential and strictly for this research work only, please tick where appropriate.

Thanks for your assistance.

Yours faithfully

Usman Alhassan
Adm.No. 12120905023

SECTION A: Demographic Data

1. Sex- (a) Male () (b) Female ()
2. Age- (a) Below 25 () (b) 25-35 years ()
c) 36-45 years () d) 46 and above ()
3. Educational background a) O-level () b) OND/NCE ()
c) HND/BA/B.Sc. () d) MSC/MBA/MPA ()
e) Others please specify _____
4. Number of years in business a) Below 5 years () b)
6-10 years () c) 11-15 years () d) 16 years and
above ()

SECTION B

- 1) Do you agree that level of education has a significant effect to MSMEs ability towards getting financial assistance from government?
a) Strongly agree () b) Agree () c) Undecided ()
d) Disagree () e) Strongly disagree ()
- 2) Financing micro, small and medium enterprise business is important to Nigeria economy?
a) Strongly agree () b) Agree () c) Undecided ()
d) Disagree () e) Strongly disagree ()

3) Do you agree that there are government policies and programmes that help in financing micro small and medium business enterprise in Nigeria?

- a) Strongly agree () b) Agree () c) Undecided ()
d) Disagree () e) Strongly disagree ()

4) Do you agree that high interest rate, lack of access to financial institutions, conditions required before granting such facilities were the problem faced by MSMEs before such policies came up?

- a) Strongly agree () b) Agree () c) Undecided ()
d) Disagree () e) Strongly disagree ()

5) In your own view, do you agree that economic development, employment, capacity building were the effects of such policies and programmes to MSMEs investment?

- a) Strongly agree () b) Agree () c) Undecided ()
d) Disagree () e) strongly disagree ()

- 6) Do you get agree Visit the relative government agencies, Local, state and federal government office, newspaper are areas one can get access to those policies/programmes.?
- a) Strongly agree () b) Agree () c) Undecided ()
d) Disagree () e) strongly disagree ()
- 7) Do you agree that financial institutions are facing problems in financing MSMEs business in Nigeria?
- a) Strongly agree () b) Agree () c) Undecided ()
d) Disagree () e) Strongly disagree ()
- 8) Do you agree that loan defaulters are among the problem that banks face in financing MSMEs business?
- a) Strongly agree () b) Agree () c) Undecided ()
d) Disagree () e) Strongly disagree ()
- 9) Poor judicial proceeding process also serve a problem to banks in financing MSME's business
- a) Strongly agree () b) Agree () c) Undecided ()
d) Disagree () e) Strongly disagree ()
- 10) Do you agree government is doing enough in financing/alleviating poverty by financing MSME's business in Nigeria
- a) Strongly agree () b) Agree () c) Undecided ()
d) Disagree () e) Strongly disagree ()