



AN INVESTIGATION INTO BARRIERS CONFRONTING THE DEVELOPMENT OF SMALL AND MEDIUM INDUSTRIES IN NIGERIA

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ABSTRACT

This paper outlined the challenges faced by Small and Medium Industries in Nigeria Growth and Development. 150 operators from Small and Medium Industries were surveyed using a structured questionnaire. The analysis incorporated the use of Chi-square techniques and percentages. Formal and informal barriers were identified as the primary obstacles for SMI businesses, according to research. The environmental obstacles were of minor importance. According to the paper, the government should create a favorable environment for SMI's growth and development by providing good roads, electricity, low-interest funding, and tax reduction. To address mutual needs, the SMI operators must establish networks of support.

Keywords: *Small and Medium Industries, Small and Medium Enterprises, Formal Barriers, Informal Barriers, Environmental Barriers, Enabling Environment.*

INTRODUCTION

Economic growth is largely driven by Small and Medium Industries (SMIs). 90% of all business enterprises in developed countries were SMIs. In urban areas of China, SMIs are responsible for approximately 60 percent of the industrial output and employed about 75 percent of the workforce. Despite the efforts and backing of successive administrations and governments, SMIs in Nigeria have not been fully instrumental in driving economic growth and development. The manufacturing companies which are sub-section of the SMIs contributed only 6.7 percent to Gross domestic product (GDP) in 2008 and Industrial capacity utilization dropped to 48.8 percent in the same year. SMIs is an essential element in shaping the

economy of any country and for the federal Government to achieving the objective of the Nigerian vision 2020 for SMLs, that is contributing 34% to the national product and generate 60% -70% employment and low death rate for business, a lot of attention is required for the event of SMLs. Radda (2016) suggests that increasing interest and recognition of SMLs will foster economic development through efficient resource utilization, employment creation, and investment mobilization, expansion of indigenous entrepreneurship, technology advancement, and income distribution. The impact of SMLs on Nigeria's economic development is not evident due to several barriers. The purpose of this paper is to identify obstacles that hinder the expansion of SMLs in Nigeria, guide the government's efforts to overcome these barriers, and offer suggestions for achieving growth.

STATEMENT OF THE PROBLEM

Despite the recognition of Small and Medium Enterprises (SMEs) as a vital component of the Nigerian economy, the persistent barriers hinder their ability to thrive and contribute effectively to national development. The lack of adequate government support and the overwhelming competition from the informal sector further complicate the landscape for formal SMEs. As a result, many potential entrepreneurs are discouraged from starting new businesses, and existing SMEs struggle to expand and innovate. This situation not only stifles individual entrepreneurial aspirations but also limits the overall economic potential of Nigeria. Therefore, understanding and addressing the barriers confronting the development of SMEs is essential for creating a more conducive environment that promotes entrepreneurship, enhances productivity, and ultimately drives sustainable economic growth in Nigeria.

Objectives of the Study

This study was conducted to achieve the main purpose of determining the barriers confronting the development of small and medium industries in Nigeria. The following precise objectives were pursued:



- i. To examine the formal barriers that will significantly affect the development of SMLs in Nigeria.
- ii. To determine the informal barriers that will significantly affect the development of SMLs in Nigeria.
- iii. To examine the environmental barriers that will significantly affect the development of SMLs in Nigeria.

Hypotheses

This paper formulates these following three hypotheses:

H₁: Formal barriers such as high taxes, multiplicity in regulatory agency and inefficiency in administration of incentive will present the greatest barrier to SMLs development in Nigeria.

H₂: Informal barriers such as inadequate infrastructure, poor management practices and low entrepreneurial skill, financial indiscipline and lack of adequate financial records will be very significant barriers to the development of SMLs in Nigeria.

H₃: Environmental barriers such as weak demand for products, lack of funds for business, access to money and capital market and lack of information will present significant barriers to SMLs owners.

LITERATURE REVIEW

Definitions of Small and Medium Industries

Due to the varying investment levels, workforce, technologies, and production methods in different countries, SMLs are not universally accepted. Before 1992, SMLs were defined differently by various agencies in Nigeria. In 1992, the National Council on Industry released a definition of SMLs that would need to be reviewed every

four years to ensure standardized definitions of industrial enterprises. Small-scale enterprises are those with fixed assets exceeding N1 million but not exceeding the maximum of N10 million, excluding land and working capital, while medium-sized enterprises have fixed assets (excluding uninhabited land) and a working of over N10 million but not above N40 million.

Small scale industries, as those with a total cost of assets not more than N50 million including working capital and but excluding cost of land or with a labor size of between 11 and 100 workers, were redefined in 2001; while medium scale industries as those enterprises with total cost of assets over N50 million but not exceeding N200 million including working capital and but excluding cost of land or with a labor size of between 101 and 300 workers. Moreover, during the Bankers Committee session on 19 June 2001, SMI was defined as any company with assets exceeding N200 million, not including land but with working capital and a workforce count between 10 and 300.

Characteristics of Small and Medium Industries

The SMIs may be conducted either as a proprietorship or a partnership or as a legal entity i.e. as a private limited liability Company. Amentie, Negash, and Kumera (2016) suggest that in any economy that promotes and develops SMIs, there are several characteristics that may include personal commitment of the proprietors who have savings from their life, minimal starting and exit costs, accessibility to business information services, access to easy technology, high content of local inputs in the production process, and potential employment opportunities. In Nigeria, SMIs are characterized by laborious production processes, emphasis on Key Man management, restricted access to long-term funds, high fees and charges, low capital expenditure during the initial two years of operation, excessive reliance on foreign raw materials and spare parts, substandard quality output, inadequate financial records, and limited access to very important information's among others (Ndiaye, Razak, Nagayey, & Ng, 2018).



An Overview of Government Effort in the Development of SMLs in Nigeria

The Federal Government comprehended the advantages of promoting SMLs in terms of creating jobs and industrializing. The Government has implemented several measures, including:

- i. Funding and establishing industrial facilities and estates to decrease overhead expenses.
- ii. Local finance is provided by the Central Bank of Nigeria, Federal Ministry of Industry (Small scale industry credit scheme), NIDB, and Nigerian Bank for Commerce and Industry (NBCI)
- iii. Encouraging and securing external funding through the World Bank, African Development Bank or other financial institutions to aid SMLs.
- iv. Establishment of National Directorate of Employment (NDE) to assist in the creation of a fresh SMLs investigation.
- v. The creation of NEFUND is intended to provide a medium- and long-term funding for rural businesses.
- vi. The Industrial Development Centers, Industrial Training Fund (ITF), Institute of Industrial Research, and PRODA provide technical training and advisory services.
- vii. To assist SMLs in raising capital from the capital market, a second Tier security market was established in 1985.
- viii. Bank's equity holding in companies

In 1988, the government modified the Banking Act of 1969 to permit banks to hold equity shares in non-banking related companies. The approach is to secure and increase equity Capital for SMLs. Despite the government's efforts, the SMLS is not performing well. The SMLS which contributes about 70 percent of the total industrial labour accounts for only 10-15 percent of total manufacturing output, also agricultural sector which employs over 60 percent of the nation's labour force produces only 64 percent of the gross domestic product. Despite previous attempts, the expected outcome has been compromised due to corrupt public-sector ownership, inefficient loan

processing and credit administration, as well as high agency costs (Radda, 2016).

An Appraisal of Government Policies

An analysis of government policies and programs reveals that the industrial development center was not well-equipped and funded. It was concluded that the Small Scale Industry Credit Scheme (SSICS) lacked executive capability to evaluate, supervise, and monitor projects. Due to funding for numerous impractical projects, the loan was not paid and had to be discontinued. The NBCI, which was the primary credit provider for the SMLs, provided ₦96.5 million. From 1973 to 1989, 797 projects were completed and with a cost of 5 million Naira.

The World Bank's loan scheme I provide funding for 126 projects. Due to the lack of counterpart funding from project sponsors, many projects were cancelled. NIDB is the primary source of funding for SMLs. The NIDB offers ₦174.6 million as a loan. The SMLs had 17 sub-sections that spanned 6 million between 1980 and 1988. The emergence of NERFUND and SME II loan scheme has resulted in changes in their activities. The NERFUND granted approval to 373 projects up to 1994, and provided funding for 200 others, in addition to committing US\$ 80.9 million and ₦333 million for these projects.

About 70% of the projects have been fully funded by this agency, with 21 completely deflating the total amount of their loans. Despite the Agency's success in providing loans for SML development, several problems were faced by the agency, including a poor loan recovery rate and heightened foreign exchange risk for the recipients. SMLs are receiving substantial funding from the Central Bank of Nigeria. The central bank provides ~~₦113.4~~ million, ~~₦1454.3~~ million, ~~₦5,900~~ million, ~~₦20,400~~ million and ~~₦42,302.1~~ million as loan and advances to SMLs in 1980, 1986, 1990, 1992, and 1996 respectively. The SME apex office granted approval to 211 projects at a cost of US \$132.8 million between 1990 and 1994, and a total of US \$107.1 million was disbursed to establish 85 new SMLs and for the expansion and



modernization of 102 existing ones. In 1990, 1991, and 1995, the number of companies listed on second-tier SSM has increased to 16, 19, and 20 respectively while 4 SMLs have made it to the main list in the market.

To develop SMLs, an equity investment scheme was introduced to provide a capital base. Scheme operators had a prejudice against the SMLs. By May 2003, 81 banks had reserved ₦14.6 billion under the scheme but only ₦4.3 billion was invested in 80 industrial projects and 75% of these investments were in the service sector instead of manufacturing sectors, Lagos been a commercial centre was given 75% of the project out of 80 projects executed.

The Barriers Confronting the SMLs

Previous research on SMLs has revealed numerous impediments to its growth in Nigeria. According to World Bank research on 200 private companies in 2004, high taxes were identified as a significant source of financial and other hindrances. The inefficiency of electricity supplies was identified by Kanu (2018) as the cause of business losses and that it resulted into the loss of 24 percent of their outputs. According to the Infrastructure Index of United Nations Economic Commission for African Economic Report on Africa countries (2007), only 10 percent of rural households and about 40 percent per person of Nigeria's total population have electricity.

According to Radda (2016), the development of SMLs is hindered by several obstacles, such as inadequate infrastructure, insufficient funds for SMLs, bureaucratic bottlenecks and inefficiency in incentive administration (including corruption), low demand for products or product mix, and high incidence of product spills among regulatory agencies and taxes. Poor management practices, lack of entrepreneurial skills, financial ineptitude, access to money and capital market, information deficiency, and inadequate financial records were further examined by Amentie, Negash, and Kumera, (2016) utilized Table 1 to classify the barriers facing SMLs into formal, informal, and environment for this study.

Table 1: Barrier confronting SMLs

Formal Barriers	Informal	Environmental
Taxes too High	Inadequate infrastructural facilities	Weak demand for the product
Multiplicity in regulatory agency	Poor Management practices and low entrepreneurial skill	Lack of funds for business
Inefficiency in administration of Incentives	Financial indiscipline	Access to money and capital market
	Poor account records	Lack of information

Source: Compiled by the Author 2023

The Formal barriers are those barriers such as high taxes, multiplicity in regulatory agency and inefficiency in administration of incentive. These are not under the control of the SMLs owners. The Informal barriers are those barriers such as inadequate infrastructure, poor management practices and low entrepreneurial skill, financial indiscipline and lack of adequate financial records. These are within the control of the SMLs operator. The environment barriers are those barriers such as weak demand for products, lack of funds for business, access to money and capital market and lack of information which affect the SMLs owners. They are under the control of both the government and SML operators. Explicitly, the following areas stand as impediment for both the establishment and growth of small business in Nigeria:

Access to Finance

Access to finance is widely recognized as a critical barrier for SMEs in Nigeria. Afolabi, Ojo, and Olatunji (2020) highlight that many SMEs struggle to secure funding due to high-interest rates and stringent lending criteria imposed by financial institutions. Their study reveals that only 30% of SMEs have access to formal credit, which severely limits their capacity for investment and growth. Similarly, Ojo (2019) emphasizes that inadequate financial support from banks and microfinance institutions constrains the operational capabilities of SMEs.



Inadequate Infrastructure

The lack of adequate infrastructure significantly hampers the growth of SMEs. Ojo (2019) notes that poor electricity supply and inadequate transportation networks increase operational costs, leading to reduced competitiveness. The World Bank (2020) corroborates this by stating that inadequate infrastructure contributes to the high cost of doing business in Nigeria, which disproportionately affects SMEs.

Regulatory Challenges

The regulatory environment in Nigeria poses significant challenges for SMEs. Nwachukwu, Okafor, and Eze (2021) emphasize that bureaucratic processes and inconsistent policies create an unfavorable business climate. Their findings indicate that 65% of SMEs experience difficulties in navigating regulatory requirements, leading to delays and increased compliance costs. This sentiment is echoed by the Nigerian Economic Summit Group (2018), which calls for regulatory reforms to support SME growth.

Market Access

Limited market access is another critical barrier for SMEs. Eze, Nwankwo and Okwu (2020) found that many SMEs struggle to compete with larger firms due to inadequate marketing skills and limited distribution channels. Approximately 50% of SMEs reported difficulties in reaching their target markets, which hampers their growth potential. The International Finance Corporation (2019) also highlights the challenges SMEs face in accessing markets, emphasizing the need for improved marketing strategies.

Skilled Labor Shortage

The shortage of skilled labor is a significant barrier identified in the literature. The National Bureau of Statistics (2021) reports that a skills mismatch in the labor market affects over 70% of SMEs, limiting their ability to hire qualified personnel. This shortage directly impacts productivity and innovation within these enterprises. Okeke,

Nwankwo, and Eze (2021) further emphasize the need for targeted training programs to bridge the skills gap.

Economic Instability

Economic instability, characterized by inflation and currency fluctuations, poses a substantial threat to SMEs. Ojo and Adebayo (2020) found that economic volatility adversely affects the financial performance of SMEs, with 60% of respondents indicating that they have had to adjust their business strategies in response to economic changes. The African Development Bank (2020) also highlights the adverse effects of economic instability on SME growth.

Lack of Technology Adoption

The reluctance to adopt new technologies is a barrier that has been explored by several researchers. Okeke et al. (2021) found that many SMEs are hesitant to invest in technology due to high costs and lack of awareness. Their findings indicate that only 25% of SMEs utilize modern technology, which limits their operational efficiency and competitiveness.

Cultural Attitudes

Cultural attitudes towards entrepreneurship can also hinder SME development. Research by the Global Entrepreneurship Monitor (2020) indicates that societal perceptions of failure discourage many potential entrepreneurs from starting businesses. The study highlights that cultural factors significantly influence entrepreneurial intentions in Nigeria.

Limited Government Support

Although there are government initiatives aimed at supporting SMEs, many entrepreneurs find these programs insufficient or poorly implemented. The Small and Medium Enterprises Development Agency of Nigeria (2021) calls for enhanced government support for SMEs, emphasizing the need for better access to mentorship, training, and resources.



Competition from Informal Sector

The informal sector in Nigeria is vast and often operates without the same regulatory burdens as formal SMEs. This creates an uneven playing field, making it difficult for formal SMEs to compete. The International Labour Organization (2019) notes that the informal sector poses significant challenges for formal businesses, leading to a loss of revenue and market share for SMEs.

THEORETICAL REVIEW

Resource-Based View (RBV)

The Resource-Based View (RBV) posits that the resources and capabilities of a firm are crucial determinants of its competitive advantage and performance. In the context of SMEs in Nigeria, limited access to financial resources, skilled labor, and technology can significantly impede their growth. According to RBV, SMEs that lack essential resources may struggle to compete effectively in the market. This theory highlights the importance of resource acquisition and management for SMEs to overcome barriers and achieve sustainable growth.

Institutional Theory

Institutional Theory emphasizes the role of formal and informal institutions in shaping the behavior and performance of organizations. In Nigeria, SMEs often face challenges related to regulatory frameworks, bureaucratic processes, and corruption. Institutional constraints can create an unfavorable business environment, making it difficult for SMEs to navigate legal requirements and access support services. This theory suggests that strengthening institutions and improving regulatory frameworks are essential for reducing barriers and fostering SME development.

Innovation Theory

Innovation Theory posits that the ability to innovate is a key driver of competitiveness and growth for firms. SMEs in Nigeria often face challenges related to technology adoption and innovation due to limited resources and a lack of support for research and development.

This theory highlights the importance of fostering an innovative culture within SMEs and providing access to technology and training to enhance their capacity for innovation. Addressing barriers to innovation can lead to improved productivity and competitiveness for SMEs.

EMPIRICAL REVIEW

According to Afolabi et al. (2020), a significant percentage of SMEs lack access to formal credit due to high-interest rates and stringent lending criteria imposed by financial institutions. Their research indicates that only 30% of SMEs in Nigeria have access to bank loans, which severely limits their capacity for investment and expansion. A study by Ojo (2019) found that poor electricity supply and inadequate transportation networks significantly increase operational costs for SMEs, leading to reduced competitiveness. The research highlights that SMEs spend an average of 40% of their revenue on alternative power sources, which detracts from their profitability.

A study by Nwachukwu et al. (2021) emphasizes that bureaucratic processes and inconsistent policies create an unfavorable business climate. Their findings suggest that 65% of SMEs experience difficulties in navigating regulatory requirements, which often leads to delays in business operations and increased compliance costs. Research by Eze et al. (2020) indicates that limited market access is a critical barrier for SMEs in Nigeria. Their study reveals that many SMEs struggle to compete with larger firms due to inadequate marketing skills and limited distribution channels. Approximately 50% of SMEs reported difficulties in reaching their target markets, which hampers their growth potential.

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Research by the Global Entrepreneurship Monitor (2020) indicates that societal perceptions of failure discourage many potential entrepreneurs from starting businesses. The study highlights that cultural factors significantly influence entrepreneurial intentions in Nigeria.

Methodology

Due to THE absence of reliable data on SMS owners, questionnaires were distributed among private business owners operating SMLs, as well as public and professional organizations like Oyo State Chamber of Commerce, Nigerian Association of Small and Medium Scale Enterprises (NASME), and Nigeria Association of Small Scale Industries. 60 percent of respondents was response rate. The criteria for selecting SMLs operators from a sample of 150 individuals are their business ownership, operational status, and if they have less than 300 staff size. Among the 30 questions asked were those related to business and personal obstacles. Using eleven barriers identified in literature, the respondents were asked to identify the primary obstacles they face in their business operations. They were presented with six choices to express their opinion using the Likert scale. "We entirely agree" or "we firmly disagree", and not "agree nor disagree" (or both not valid) of the above. SML owners' goals about the barriers they face give an indication of what obstacles these individuals experienced. The survey's drawback is that a certain percentage of individuals may not express their genuine viewpoint when responding to the questionnaire. The percentage is likely to be low and have no impact on the overall outcome.

RESULTS AND DISCUSSION

Table 2: General Characteristic of SMI Respondents

Characteristic	Category	Percent
Sex (n = 00)	Male	78
	Female	22
Education (n = 00)	University	12
	Others	88
Sector (n = 00)	Trade	62
	Other	25
	Manufacturing	13

Source: Field Survey 2023

As Table 2 shows approximately, 78% of the SMI respondents were male while 22% of the SMI operators were females. The vast minority of the SME respondents was university graduate owner; approximately 12%, which indicates that majority of the SME owner other not have university education. More than 60 percent of the SMI respondents were engaged in either retail or wholesale trade and 25 percent were engaged in either personal or business services.

Table 3: Barriers identified by SMI Owners in percentages

CA = Completely Agree, A = Agree N/N = Neither Agree nor Disagree
D = Disagree. CD = Completely Disagree N/A = Not applicable.

Formal Barriers	CA	A	N/N	D	CD	N/A
Taxes too high	85	89	4	0.1	1	0.9
Multiplicity in Regulatory agency	71	22	6	0.5	0	0.1
Inefficiency in administration of incentives	65	22	10	0.9	2	0.1
Mean	74	17	7	0.5	1	0.5
Informal Barriers	CA	A	N/N	D	CD	N/A
Inadequate Infrastructures	90	7	2	1	0	0
Poor Management Practices and low	64	6	15	7	5	3
Financial Indiscipline	42	8	16	10	20	4
Poor Accounting Records	53	12	20	9	4	2
Mean	63	8	13	7	7	2
Environmental Barrier	CA	A	N/N	D	CD	N/A
Weak demand for products	58	33	6	2	5	1
Lack of funds for business	74	9	8	6	1	2



Access to money and capital market	8	3	12	42	32	3
Lack of Information	11	6	45	25	10	3
Mean	37	12	18	19	12	2

Source: Field Survey 2023

Table 4: Showing Calculated Value χ^2 and Table X Value

Problem Area	Calculated χ^2 value	Table X value
Formal Barriers		
Taxes too High	339.4292	11.070
Multiplicity in Regulatory Agency	233.69	11.070
Inefficiency in Administration of Incentives	181.8292	11.070
Mean	248.93	11.070
Informal Barriers		
Inadequate Infrastructures	389.24	11.070
Poor Management Practices and low Entrepreneurial skill	166.4	11.070
Financial Indiscipline	56	11.070
Poor Accounting records	107.25	11.070
Mean	158.24	11.070
Environmental Barriers		
Weak demand for products	161.14	11.070
Lack of funds for business	239.72	11.070
Access to money and capital Market	80.84	11.070
Lack of Information	74.96	11.070
Mean	40.76	11.070

Level of Significance = 5%

Source: Field Survey 2023

Proof of Hypotheses

These results provided support for the three hypotheses, which are the formal, informal and environmental barriers are significant barriers to the SMI owners. In all the variables, the calculated χ^2 value was greater than the table value at 5% level of significance. Therefore, these variables constitute a barrier to the development of SMIS in Nigeria.

DISCUSSION OF RESULTS

The survey findings indicate that formal and informal barriers are the primary hindrances for SMI owners in Nigeria. Environmental

hindrances are only marginal. Lack of Information is the least significant barrier, whereas inadequate infrastructures are what hinder the SMS operator. Even so, all 3 obstacles identified were significant hindrances for SM owners. This paper does not reject the three Hypotheses.

The majority of respondents identified formal and informal barriers, including high taxes and inadequate infrastructure, as the primary obstacles. Nigeria's SM development is hindered by the provision of essential services like telecommunication access roads, electricity, and water supply. The World Bank (2014) estimated that such cost accounted for 15-20 percent of the cost of establishing manufacturing enterprises in Nigeria. The least important of all the barriers, environmental issues were identified as one of the main barriers by 74% of those polled, due to the banks' reluctance to provide credit to SM owners with low-quality projects proposals and insufficient collateral.

CONCLUSION

The development of Small and Medium Enterprises (SMEs) in Nigeria is crucial for fostering economic growth, creating jobs, and reducing poverty. However, this sector faces numerous barriers that significantly impede its progress. All SM owners regardless of their business or personal characteristics are significantly affected by multitude of barriers to their businesses such as frequent changes to regulations, results in increased costs for all SMS owners, limited access to finance, inadequate infrastructure, regulatory hurdles, market access issues, skilled labor shortages, economic instability, reluctance to adopt technology, cultural attitudes towards entrepreneurship, insufficient government support, and competition from the informal sector. The development and growth of SMs is hindered by an economic environment that features low purchasing power and a decreasing consumer demand. SM owners could experience a welcome relief by decreasing the number of taxes, providing electricity and access roads at varying rates.



RECOMMENDATIONS

Addressing these barriers requires a multifaceted approach involving collaboration among various stakeholders, including government agencies, financial institutions, and the private sector. Specifically:

- i. Small business could benefit from a special government policy that offers tax concessions, reduced loan rates, simplified bureaucratic procedures and reduce compliance cost or grants for technology investments.
- ii. To enhance the managerial and entrepreneurial skills of SMI owners, the government should allocate funds for research, provide quality education, and create subsidized management training and development programmes.
- iii. Policymakers must prioritize creating a conducive environment for SMEs by implementing regulatory reforms, enhancing access to finance, and investing in infrastructure development.
- iv. Furthermore, fostering a culture that encourages entrepreneurship and innovation is essential for empowering potential business owners.
- v. Government support initiatives should be strengthened to provide mentorship, resources, and incentives for SMEs, ensuring they can compete effectively in both local and international markets.
- vi. Financial institutions should develop tailored financial products that cater specifically to the needs of SMEs, including lower interest rates and flexible repayment terms.
- vii. The government should prioritize investments in critical infrastructure, such as reliable electricity, water supply transportation networks, and internet connectivity, to

reduce operational costs of SMEs to compete with foreign competitors.

- viii. Government agencies concerned should launch awareness campaigns to promote entrepreneurship as a viable career path and reduce the stigma associated with business failure.
- ix. Increase funding and resources for government agencies tasked with supporting SMEs, ensuring they can effectively implement programs and initiatives.

Significance of the Study

The study reveals a complex interplay of barriers confronting the development of SMEs in Nigeria. Addressing these challenges requires targeted interventions from policymakers, financial institutions, and other stakeholders to create a more supportive environment for SMEs. By understanding these barriers, stakeholders can develop strategies to enhance the growth and sustainability of SMEs, ultimately contributing to Nigeria's economic development.

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