NATIONAL POLICY ON MICRO, SMALL AND MEDIUM ENTERPRISES AND THE MANUFACTURING SECTOR IN NIGERIA, 2007-2016

Abada Ifeanyichukwu Micheal & **Albert Okorie**
Department of Political Science
University of Nigeria, Nsukka

Abstract
The manufacturing sector of the Nigerian economy in the past four decades has recorded abysmal performance despite several policies and programmes including the 2007 national policy on micro, small and medium enterprises aimed at boosting small and medium enterprises within the sector . Regrettably the sector's performance in terms of poverty reduction, job creation and contribution to gross domestic product has remained poor compared to its counterparts in Asian and Latin American countries, largely on account of poor implementation of government policies in the sector. The study rely on the basic propositions of the post colonial state theory arguing that the lopsided implementation of the 2007 policy accounted for the poor performance of SMEs in the sector. The study adopted documentary method and content analysis for data collection and analysis and found that the implementation of policy concentrated on provision of credit facilities at the exclusion of other components of the policy such as business regulation, capacity building and critical infrastructures. Thus recommends aggressive infrastructural rehabilitation, establishment of industrial sites and human capital development.

Keywords: Industrial Policy, Small and Medium Enterprises, Investment Infrastructure, Credit Facilities, Manufacturing Sector.

Introduction

The quest for sustainable economic growth and development has been the major challenge confronting Nigeria and the rest of developing economies. As a result successive regimes have introduced a number of policies and programmes aimed at boosting small and medium enterprises within the manufacturing sector of Nigeria economy. This is in line with the expected roles the state has to play in advancing economic growth and development.

The hallmark of economic development policies in Nigeria is rapid industrialization. UK Essay Review (2015) notes that industrialization is considered as a child of necessity in every nation's economy, for it accelerates the process of both economic growth and development. It is usually argued that industrialization is capable of increasing the pace of growth and ensuring swift structural transformation of the economy. Despite the abundant natural endowment of the country, efforts at creating a vibrant and sustainable manufacturing sector development have proved abortive.

In an effort to develop the manufacturing sector at independence, government adopted the Import Substitution Industrialization Strategy (ISI), aimed at reducing dependence on imported consumer goods and creating employment opportunities for teeming Nigeria youths. Since then, other successive governments have experimented with different industrial policies. Till date, the objectives of these policies: employment generation, GDP growth, improvement in standard of living, production of consumer goods and export promotion have remained a mirage. The failure of these policies have led to agitations for the inclusion of the general populace in the formation of economic policies to foster a sense of ownership and support. Hence Halperin *et al* (2005) had argue that the better performance of democracies can be attributed to their relatively greater propensities for establishing institutions of shared power, information, openness and adaptability.

In the 1960s, up to the late 1970s, industrial policies in the country were inward-looking. The major policies and programmes were import substitution industrialization strategy, indigenization policy and trade and financial liberalization policy. ISIS was directed at increasing local production of manufactured goods, generation of employment, preservation of the country's foreign exchange and expansion of the country's domestic market for goods locally manufactured. Industrial production experienced a tremendous boost as the index of industrial production rose from 41.3 million in the 1970 to 120.3 million in 1979 (CBN, 2005). In real terms, percentage of manufactured goods in GDP increased from 4.8 percent in 1960 to 8.6 percent in 1979. Compound growth rate of industrial production rose to 9.7 percent between 1970 and 1975, before declining to 6.8 percent within 1976 (Ndebbio, 1991). Evidence show also that the share of the manufacturing sector has been on the decline since the 1980s.

The Nigerian Indigenization Policy 1972 came in the wake of the desire to make Nigerians own and control the industrial enterprise in the country. As noted by Ndebbio *et al* (1991), quoted in UK Essay Review (2015), the indigenization decree was to give Nigerians the opportunity to demonstrate the ability to assume ownership, control and management of a greater part of the nation's economy. The 1972 Decree that resulted in the indigenization policy was amended, repealed and replaced by the Nigerian Enterprises Promotion Act in 1977.

This policy suffered setbacks because of a number of reasons such as; insufficient capital, lack of skilled manpower and activities of unscrupulous Nigerians who connived with foreign investors to undermine the policy. Consequently, there was distortion in the industrial sector, and production index indicated a downward trend; compound growth rate of industrial production between 1981 and 1986 when the effects of the policy actually manifested was in the negative, -1.8 percent. It should also be recalled that the huge oil wind fall recorded in the mid-1970s actually ceased to flow during the period. The foreign reserve of the country was severely depleted and many industries that relied on imported inputs had to either shut down or operated below full capacity. Other policies include Trade and Financial Liberation Policy 1989 which led to the establishment of the Bank of Industry (BOI-2000), National Empowerment Development Strategy (NEEDS, 2004), National Integrated Industrial Development (NIID, 2007), Industrial Park Development Strategy (IPDS, 2009) Small and Medium Enterprises Equity Investment Scheme and others (UK Essay Review, 2015).

The history of small and medium enterprises predate Nigerian state, as evidence abound in our respective communities of the successes recorded by our great grand parents in trading, iron smelting, farming, cottage industries and the likes. SMEs are increasingly becoming engine of economic growth and development, especially in third world economies. Ayozie e tal (2013), noted thah SMEs account for 60 to 70 percent of jobs in most countries around the world; particularly large shares in Italy and Japan and a relatively smaller shares in the United States. The successes recorded by Asian economies is not unconnected with the pivotal roles played by SMEs, as they have lifted hundreds of millions of people into new middle class consumers (Tanzer, 2005). SMEs are responsible for driving innovation and competitiveness in many economies, for instance in India, they account for about 39% of the manufacturing output and 33% of total export (CBN,2011).

In Nigeria SMEs represents about 96% of businesses, 90% of manufacturing industrial sector in terms of number of enterprises and 70% of the national industrial development if the threshold is set at 10-70 employee. Despite these impressive statistics the sector has not contributed significantly to the economy, as it contributes less than 10% of the manufacturing sector output and gross domestic product (CBN,2011).It is of great concern that this vital sector has fallen short of expectations. The situation is more disturbing when compared with achievements recorded by other developing and developed economies with their cottage businesses in the areas of apprenticeship, training, employment generation and poverty reduction. It has been established that a strong correlation exist between the degree of poverty, hunger, unemployment and economic wellbeing of citizens and the vibrancy of the respective countries' SMEs.

Scholars like Oreoluwa (2011); Adeleja (2016); Gbandi and Amissah (2014); Akingunola (2011); Ayozie *et al* (2013); Abiodun (2014); Onugu (2015); Adesanya (2014); Aigboduwa and Oisamoje (2013) investigated the role and potentials of SMEs in economic growth and development, especially in developing economics like Nigeria. They noted that SMEs are instrumental in the successes recorded by Asian countries but regretted the failure to replicate similar feat in Africa and Nigeria in particular. They note that the sector constitutes more than 90% of Nigerian businesses yet contributes less than 10% of the nation's GDP. However, they identified poor funding, inconsistency in government policies and deficit infrastructures as critical challenges confronting SMEs in Nigeria.

In related submission, Alini and Alese (2014); Oni and Daniya (2012); Entebang and Eniola (2015); Ojeka (2011) and Aliyu (2013) evaluated the various intervention programmes by government, development partners and commercial banks, but regretted that such have not translated to improved performance of SMEs in Nigeria.

However the major flaw of the studies reviewed above is that they focused on credit advances and other challenges confronting SMEs in Nigeria. Hence no effort was made to evaluated the implementation of the 2007 national policy on micro, small and medium enterprises visavis the performance of SMEs in the manufacturing sector of the Nigerian economy. Specifically the existing literature did not account for how poor implementation of the non capital components of the policy like capacity building ‘business regulation and provision of critical infrastructures: power, roads, industrial sites and water impinged on the performance of SMEs in the manufacturing sector in Nigeria within the period of the study. In the light of the foregoing, this study seeks to interrogate the nexus between the implementation of NOMSMEs and the performance of SMEs in manufacturing sector of the Nigerian economy between 2007 to 2016.

Theoretical Framework

This study proposes that the most abiding explanation for the poor implementation of national policy on micro, small and medium enterprises and its implications on the performance of SMEs in manufacturing sector is to be located in the character of the Nigerian state, which is rooted in its post-colonial origin. The study which is anchored on the epistemological and philosophical assumptions of the theory of post-colonial state begins with the assumption that the state in Nigeria is the object of intense and inordinate political competition, and that its nature defines the character of policies in the society.

Originally developed by Hamza Alavi (1972), the theory of post colonial state is premised on the historical specificity of post-colonial societies, which arises from structural changes brought about by the colonial experience and alignments of classes, and by the superstructures of political and administrative institutions which were established in that context, and secondly from radical realignment of class forces which have been brought about in the post-colonial situation. Deriving from this theory, Ake (2003:14) had argued with respect to post-colonial African states that:

> The assumption so readily made that there has been a failure of development is misleading. The problem is not so much that development has failed as that it was never really on the agenda in the first place. By all indications, the political conditions in Africa are the greatest impediment to development (Ake, 2003:1).

Ake traced these political conditions to the political legacy colonialism bequeathed on Africa. Colonialism in Africa, he said, was unusually statist. The colonial state redistributed land and determined who should produce what and how. It attended to the supply of labour, sometimes resorting to forced labour, it churned out administrative instruments and legislated taxes to induce the breakup of traditional social relations of production, the atomization of society, and the process of proletarianzation. It went into the business of education merely to ensure that workers could do the jobs they were required to perform and would remain steadfast in the performance of their other tedious and disagreeable tasks.

Since the colonial state was called upon by the peculiar circumstances of the colonial situation to carry out so many functions – indeed to do everything – it was all powerful. The power of the colonial state was not only absolute but also arbitrary. These two features of state power, its absolutism and its arbitrariness, framed colonial politics. And although political independence brought some changes to the composition of the state managers, the character of the state remained much as it was in the colonial era; state power remained essentially the same. At independence therefore, the political environment was hostile to development. The struggle for power was so absolute that everything else, including development, was marginalized (Ake, 2003).

Buttressing this point, Ibeanu (1998) conceived of the state as 'the totality of the materiality of political class domination in a society', and surmised that since the postcolonial state is all powerful and there are few safeguards on how its tremendous power is to be used in a moderate and civil manner, groups and individuals take a great stock in controlling the power of the state. So it is characteristic of the postcolonial state that its members put a premium of politics. Politics is everything and everything is politics, including life and death (Ibeanu, 1998). He then argued that the role of the Nigerian state in democratization, for instance, has to be understood in the light of the inner characteristics of that state, rather than mere transient factors like ethnicity or political will. These inner characteristics, he said, are conducive to the negation of democracy.

Similarly, following a critical performance evaluation of the Nigerian state, some other scholars have argued that the Nigerian state is privatized and lacks autonomy (Ake, 2001), and that because the state lacks autonomy, it is being privatized and used as an instrument for the pursuit of parochial interests, against the pursuit of the pubic good. The idea is that, corrupt elements and amoral personalities in the state capitalize on the non-autonomous and weak nature of the state to wickedly direct state resources to thier selfish interest cum aggrandizement. That is, in most cases, state resources in the civic public are diverted to infamous channels in the primordial public which benefits only a few categories of people in the society, and these various descriptions of the Nigerian state have come to bear in the area of public policy (Paki and Ebienfa, 2011).

Exploring the interface between the character of the state and public policy in Nigeria, Ihonvbere (2002:4) argued that right from the beginning the political environment at independence was a setup, and that Africa was programmed to fail. According to him, the state inherited was non-hegemonic and lacked the capacity to create the sort of environment that would have allowed public policy to be rational, sustainable and effective. The custodians of state power were equally set up to fail; they lacked economic powers, their political power was fragile, and they were opportunistic and incapable of competing with powerful and fully entrenched profit and hegemony-seeking transnational corporations. Consequently, African policy makers and leaders moved from one error to the other, further complicating the already precarious and distorted African condition. Indeed planning without facts or based on permutations and guesstimations became the order of the day. And because they were able to accumulate from the existing dire conditions, they resisted all calls for change.

According to this position, the elites appropriated the voices of the people while enriching themselves. In less than a decade following political independence, irrational politics degenerated into war; the state became the means of accumulation and constitutions were abrogated, suspended, disregarded and discarded. In this situation, progressive, people-centered and holistic public policies were no longer possible. Ethnic, regional, religious, and personal considerations came to determine public policies from defense and education through agriculture and economy to social development and the provision of infrastructure. Ihnoveire then contended that a genuine foundation for effective public policy was subverted by the elitist and opportunistic approach to the negotiations for political independence, the compacting of post-independence constitutions, and the style of political governance that relied on personal rather than democratic and collective rule. The failure to appreciate and utilize a people-centered and people-driven constitution making approach by the departing colonial state and by the immediate post-colonial power elite negated possibilities for responsive and responsible public policy in Africa (Ihonveire, 2002).

Application of the Theory

Applying the theory of post colonial state in the explication of the interface between implementation of NPMSMEs and the performance of SMEs in the manufacturing sector of the Nigerian economy ; this study posits that the ineffective implementation of the policies is not merely a consequence of an 'implementation gap', nor is it simply the outcrop of 'bad politics', instead it is traceable to the inherited character of the Nigerian state as a post colonial state. Inherent in the genes of that state are institutions that negate the possibilities for responsible and responsive public policy. It is this genetic make-up that predisposes the state to a lack of commitment to development, including especially the development of basic investment infrastructures.

Deriving from this, we can deduce that industrial policies introduced so far in Nigeria, are mere window dressing, which periphery capitalist states adopt to mitigate agitation for change in production relations. Thus, capitalists believe that for third world states to develop, they have to liberalize their economies and accept the principles of laissez fare. The target is to become industrialized like the western economics, through the adoption of structural adjustment programme, import substitution industrialization strategy and many others. These they argue encourage export and boost the local production of goods and services. In reality however, these policies only tends to serve the interest of the petty bourgeoisie and the foreign partners, at the expense of the lower class.

The class struggle that arises led the political leadership to introduce certain policies that tends to favour the lower class for example Nigeria Indigenization Policy, TFLP and lately National Policy on Micro Small and Medium Enterprises. However, these efforts failed because of elite interest, bureaucratic bottlenecks, corruption and above all poor investment infrastructures. The reality is that such policies favour the rich more than the lower class. The difficulty associated with accessing funds for SMEs, the conditions set by banks and other relevant agencies to be met before funds can be approved and poor infrastructures all contribute to making it difficult for most SMEs to operate effectively. At the end, only the rich and cronies of those in power who can meet set standards by banks to access the credits. The result is that the rich keep getting richer while the poor get poorer. This consequently affects the ability of SMEs to reduce employment and contribute considerably to GDP. Also since over 70% of SMEs operators are unaware of Government intervention programmes those at the helm of affairs divert those funds for personal use.

Besides, weak state institutions make policy implementation difficult in Nigeria. Successes of capitalist policies in Latin America and Asia have been difficult to replicate in Africa and Nigeria because the structures and institutions necessary for the effective implementation, through the creation of an enabling environment are weak or non-existent in some cases. At the end, intervention funds from foreign countries and international agencies are shared and squandered by the ruling class. The foregoing analysis further consolidates the fact that post colonial states lack autonomy and tend to serve the interest of the dominant class.

Methodology

The study adopted documentary method for data collection. The data generated were synthesized using content analysis method. The qualitative and non-experimental nature of the study accounts for the adoption of the above methodology. Moreover, as participant observers, the researchers needed to complement documentary evidence with experiences gained from the implementation of the policy in Nigeria. In the same vein, content analysis was considered appropriate for the study not only because it suited contextual analysis but also useful when the task is to glean, illuminate, interpret and extract valuable information, from which the researchers will draw inference from available evidence so as to reach conclusion.

National Policy on Micro Small and Medium Enterprises and SMEs in Manufacturing Sector

A good number of policies and programmes have been initiated by Government and development partners aimed at boosting SMEs in the manufacturing sector in Nigeria. However such policies and programmes tend to have concentrated on improving access to credit. The establishment of Small and Medium Enterprises Development Agency of Nigeria was the first major attempt to address SMEs challenges in the most efficient and coordinated manner. Table 1 below shows various intervention programmes by Federal, State Government and Development Partners towards development of SMEs in Nigeria.

Table 1: Government Programmes for SMEs in Nigeria

S/N	Program	Scope	Date
1.	Industrial Development Centre	Land	1970-1975
2.	Nigerian Industrial Development Bank	Capital	1964
3.	Nigeria Bank for Commerce and industry	Capital	1989
4.	National Directorate of Employment	Capacity Building	1983
5.	Small and Medium Enterprise Equity Investment scheme	Capital	2008
6.	Microfinance Policy Regulation and Supervisory Framework for Nigeria	Capital	2005
7.	Small and Medium Enterprise Credit Guarantee Scheme	Capital	2010
8.	Agricultural Credit Guarantee Scheme Fund	Capital	1977
9.	Nigerian Incentive Based Risk Sharing System	Capital	2011
10.	National Economic Reconstruction Fund	Capital	1989
11.	Rural Financial Institution Building Programme	Capital	2009
12.	Bank of Agriculture	Capital	1989
13.	Agriculture Credit Support Scheme	Capital	2005
14.	Commercial Agriculture Credit Scheme	Capital	2001
15.	World Bank Assisted Programme	Capital	2003
16.	African Development Bank Assisted Programme	Capital	2004
17.	International Finance Corporation	Capital	2004
18.	Small and Medium Enterprises Development Agency of Nigeria	Capital	2004
19.	Credit Registries in Corporate Affairs Commission	Capacity	2008
20.	Training Scheme	Capacity	2011
21.	Small Scale Industries Credit Scheme	Capital	2004
22.	State Governments	Capital and Capacity Building	1972
23.	International Finance Assistance Bank	Capital	2001
24.	Bank's Equity Holding Companies	Capital	2003
25.	Second Tier Securities Market	Capital	2004
26.	Technical Training and Extension Service Programme	Capacity	1984
27.	Bank of Industry	Capital	2003
28.	Small and Medium Industries Equity Investment Scheme	Capital	2013

29.	Peoples Bank of Nigeria	Capital	1988
30.	Community Banks	Capital	1990
31.	Small and Medium-Scale Enterprises Apex Unit Loan Scheme	Capital	1990
32.	Nigerian Export-Import Bank	Capital	1991
33.	Nigerian Agricultural Cooperative and Rural Development Bank	Capital	2000
34.	Family Economic Advancement Programe	Capital	1998
35.	Peoples Bank of Nigeria	Capital	1983
36.	Operation Feed the Nation	Capital	1976
37.	National Directorate of Employment	Capacity	1987
38.	Family Support Programme	Capital	1993
39.	National Poverty Eradication Programme	Capital and Capacity building	2003
40.	Youth Empowerment Scheme	Capital and Capacity building	2013
41.	Subsidy Reinvestment Programme	Infrastructure and Capacity Building	2011

Source: Authors Compilation

Besides the above initiatives, Federal Government between 1972-2016 had launched three policies : indigenization policy, trade and financial liberalization policy and lately national policy on micro, small and medium enterprises launched in 2003. Like previous policies, the NPMSMEs broad objective is to facilitate and build a vibrant SMEs sub sector that will serve as major driver of national economic growth and employment. This will be achieved through profitable expansion of existing SMEs and emergence of new ones, especially among women and the youths. The policy strategy took after the NEEDS, hence is based on public private partnership, collaboration and cooperation among stakeholders (NPMSME, 2003). Table below clearly shows policy priority areas, objectives and strategies for their attainment.

Table 2: Policy Areas, Objectives and Strategies of the National Policy on Micro, Small and Medium Enterprises

S/N	Areas	Objectives	Strategies
1.	FINANCE	• To reduce the financial constraints on the creation, operation and expansion of viable and sustainable MSMEs in Nigeria.	• The Nigerian Wholesale Bank has been established by the Federal Government and will provide low cost long term loans to MSMEs across sectors • Design criteria to develop an annual

		• To improve sustained access to and beneficial utilization of finance for business start-up and expansion • To ensure synergy between financing schemes and other complementary enterprise support programmes	rating/ ranking framework for Financial Institutions on MSME clientele level with full consultation with stakeholders. (to be included within the annual MSME data book under Policy Priority I) Publish profiles of MFIs and financial institutions and practical lessons that can be gained by other financial institutions • Develop tax and other incentives for financial institutions which rank highly in provision of financing to MSMEs. • Promote Business Development Service (BDS) to enhance the capacity of MSMEs to make effective demand for debt and equity finance. • Encourage the establishment of more venture capital companies and reorientation of existing financial operators to finance MSMEs • Create MSMEs Rating Agency and more Credit Bureaus to collate and document information about MSMEs, borrowers and their risk ratings. SMEDAN should work more closely with these institutions. • Create an appropriate environment for the operation of Angel Investors. • Create Micro, Small and Medium Enterprise Development Funds that are private-public sector driven • Sensitize and support MSMEs to form Cooperative Societies, Associations and Clusters to enable them access loan and credit facilities • Expand interest draw back schemes to cover all MSMEs • Establish Special Credit Guarantee Schemes for MSMEs • Include MSME operators in the implementation of the MSME Policy • Revamp the 2nd-tier market and establish a 3rd-tier market at the Stock Exchange.

			• Broaden the scope of acceptable collateral for MSME lending e.g. moveable properties • Promote the integration and modernization of the traditional lending and microfinance institutions into the MSME financing framework. • Encourage Development Finance Institutions such as BOI, BOA, etc to device instruments to be able to lend not less than 80 percent of their portfolio to MSMEs • Support the implementation of the Microfinance Policy for Nigeria to generate maximum benefits to MSMEs • Organize capacity building and institutional support programmes for venture capital and equipment leasing firms • Support the establishment of non-governmental microfinance institutions and microfinance banks as provided for in the Microfinance Policy for Nigeria • Encourage groups of MSMEs to initiate mutual funds and other credit institutions for collective self help • Ensure relevant capacity building for loan officers of Banks. • Reform collateral legislation to include non-conventional/moveable collateral as a means of expanding access to finance to MSMEs. • Stimulate financial institutions to develop and operate specialized products for women, youths and other disadvantaged/challenged groups.
2.	INSTITUTIONAL, LEGAL AND REGULATORY FRAMEWORK		
	Formalization	• To promote the transformation of informal MSMEs to the formal sector. • To facilitate and simplify the registration	• Sensitize MSMEs on the benefits and advantages of formal registration through road shows, engagement of Business Membership Organisations and the National Orientation Agency to disseminate information.

		of MSMEs in order to obtain and maintain up-to-date information on the number, performance and needs of MSMEs.	• Partnership between Business Membership Organizations (BMOs) & corporate/product registering institutions to facilitate the registration of MSMEs. • Convene a stakeholders" forum, on a regular basis, from across the public, private and non-profit sectors at the Federal and state level to develop a robust framework that encourages MSMEs to enter the formal economy. Key components of the framework will include: • Streamlining the comprehensive tax obligations of MSMEs across the three tiers of government • Collaborating with tax authorities to create and institute tax brackets and tax incentive schemes for MSMEs • Establish an incentivized fee-paying structure that enhances MSMEs Development. CAC has reduced the fee for business registration for MSMEs and has removed the need for a lawyer to register a business. • Establish MSME friendly registration windows at SMEDAN, and one-stop business registration outposts in MSME clusters and other accessible federal institutions including universities and select post offices that will help simplify the registration with the CAC. • Create incentive funds in support of meeting the standards for product/corporate registration. This funding could potentially be a derivative of the Nigerian Wholesale bank or any other funding window solely dedicated to MSMEs.
	Land/Property Rights and Land Use Planning.	• To ease access to land and land registration for business and commercial purposes. • To ensure orderly and environment-friendly location of businesses including industrial	• Review the Land Use Law in order to simplify and regularise access to land for business • Ease the processes and procedures for registering land, property title and consent • Eliminate rules/procedures that

		parks and estates in towns and communities.	discriminate against women in holding title rights.
	Contract Enforcement and Dispute Resolution	• Encourage MSMEs" respect for control sanctity • To promote investor confidence by ensuring a legal system that is simple, fair, transparent and accessible to MSMEs, their clients and customers. • To minimize the cost and time taken to settle disputes arising from commercial contracts. • To encourage development of institutionalized alternative dispute resolution mechanism throughout the country.	• Awareness creation • Strengthen the existing and planned alternative dispute resolution systems to serve MSMEs more effectively and sustainably • Promote and organise subsidized legal aid schemes for MSMEs through the office of the public defender or CSR initiatives • Encourage court systems to create fast-track windows for MSMEs • Sensitise MSMEs on the availability and workings of the alternative dispute resolution systems and encourage them to utilize them • Support training and capacity building programmes in alternative mediation, arbitration and conciliation
	Tax Administration	• To reduce the cost and time taken to process tax payments by MSMEs. • To streamline the taxes paid by MSMEs in order to reduce incidence of multiple taxation, levies and fees. • To simplify the tax administration system in order to make it more predictable, transparent and less cumbersome.	• Document and disseminate the tax obligations of MSMEs on a regular basis in order to improve awareness and predictability of tax payments. Across all states on a quarterly basis. For transparency and to avoid illegal taxation. • Eliminate tax raids and multiple check points for collecting different types of rates, tolls, permits and levies from MSMEs. Working with the private sector • Promote the reform of tax laws at the Federal, State and Local Government levels in order to make the tax institutions more friendly to MSMEs. • Establish pioneer status for qualifying MSMEs in strategic high growth sectors. • Through dialogue and consultation between the various tiers of government and business organisations; rationalise, reduce and simplify the taxes paid by MSMEs

			• Institute and/or extend tax incentives on specific MSMEs initiatives such as equipment fabrication and import substitution activities • Reduce frequency of VAT returns from monthly to quarterly frequency.
	Labour Laws and Regulation	• To protect the mutual interest of workers and employers in the MSMEs sub-sector.	• Review existing labour laws to provide for peculiarities of MSMEs e.g. employment of family members. • Grant reliefs and exemptions in the application of existing laws as would protect and advance the special interests of specific groups of MSMEs. • Sensitize MSMEs on labour legislations such as Workmen Compensation Act, Factories Act, etc • Facilitate MSMEs access to Health, Safety and Environment information services and support. • Support training and skills building to promote safety and health issues to MSMEs.
	Standard and quality regulation	To promote awareness on the vital roles standards and quality play in economic development. To encourage compliance with National and International Standards and regulations by MSMEs towards sustainability and global competitiveness. To work entirely with SON, NAFDAC	• Sensitize MSMEs on the existing Standards and Regulations and the benefits thereof • Establish MSMEs friendly windows at the Federal, State and Local Government levels that will facilitate easy access to standards and regulations • Provide incentivize MSMEs towards meeting National and International standards for competitiveness • Establish business rating mechanism for MSMEs.
3.	SKILL DEVELO PMENT	• To ensure effective provision of relevant entrepreneurial, vocational, educational and technical skills training for MSMEs by educational and training institutions. • To support the creation and expansion of opportunities for in-	• Incorporate entrepreneurial and business skills training in the curricula of primary, secondary and tertiary institutions • Establish special non-formal education and training courses and programmes for MSME owners, managers and workers • Promote and establish Business Support Centers (BSCs) in all the States in collaboration with State

		service and continuing education & training for MSMEs owners, managers and workers. • To create avenues and programmes for the nurturing and dissemination of special skills needed for the improvement of product range and quality, output and productivity of MSMEs. • To ensure effective provision of relevant entrepreneurial, vocational, educational and technical skills training for MSMEs by educational and training institutions. • To support the embedment of an entrepreneurial culture in the country through targeted youth based enterprise development interventions.	Governments, Business Membership Organisations (BMOs) • Promote and establish Business Information Centers (BICs) in all the Local Government Councils in collaboration with the LG authorities, business communities, faith based organizations and apex cooperatives. • Revise the range of skills and curricula of technical and vocational schools from being supply-driven to demand-driven skills and competencies reflecting sector priorities. • Leverage outcomes of donor agencies funded skills assessment to determine priorities in terms of skills to be developed. • Analyze the range of skills as well as existing training curricula for national vocational and technical schools to assess their relevance and focus on priority sectors. • Collaborate with MSMEs" technical/ vocational experts, industry practitioners and educational bodies in redesigning and rolling out the training curricula. • Work with public sector partner agencies to establish strategic public private partnerships for FSTEs, Vocational Enterprise Institutions (VEIs) and Innovation Enterprise Institutions (IEIs). • Encourage MSMEs to conduct regular skills audit to identify skill gaps and measures to mitigate; • Establish special programmes for updating the skills, upgrading the technology and processes of enterprises in traditional crafts and industries, such as textiles, leatherworks, iron working, pottery, basketry; which have high potential not only for meeting the basic needs of the communities but also of powering the development of tourism and export markets.

			• Design industry-specific technical and management training modules to take into account the needs of entrepreneurs in special target areas such as packaging. • Establish institutional mechanisms to accredit and certify MSME entrepreneurs and managers. • Set up special science, engineering and technology training centres for practical hands-on training for both existing and aspiring entrepreneurs and their managers. • Revamp the Industrial Development Centres to make them responsive, viable and demand-driven through Public-Private-Partnership (PPP). • Partner with private sector organizations to implement cluster-based entrepreneurship training programs. • Create *'One Stop Shops'* for the development of MSMEs at the Local and State levels. • Increase the number of vocational centre by various government agencies;strengthen existing ones. • Certify Business Development Service Providers (BDSPs) to ensure the credibility of their services to MSMEs. • Support existing entrepreneurship programmes at primary, secondary and tertiary education institutions to sustain and grow these programmes. E.g SAGE, ENACTUS. • Institute a Youth Entrepreneur Scheme (YES) to include competitions, entrepreneurship clubs, funding, mentoring, etc. • Internship/attachment opportunities.
4.	TECHNOLOGY, RESEARCH AND DEVELOPMENT	• To promote MSMEs utilization of modern technology and innovation from international markets as well as from Research	• Support the activities of complementary public technology-promoting Institutions, such as: Industrial Training Fund (ITF), National Office for Technology Acquisition and Promotion

		and Development Institutions. • To strengthen S & T infrastructure and nurture improved local innovative & productive capacity. • To maximize the beneficial impact of R & D in areas such as raw materials sourcing, production technology and methods, product development and market exploration. • To improve confidence in the patenting and copyright systems and so encourage private investments in R & D activities – *with transparent and effective enforcement.*	(NOTAP), Federal Institute for Industrial Research Oshodi (FIIRO), Project Development Agency (PRODA), Raw Materials Research and Development Council (RMRDC), National Centre for Technology Management (NACETEM), National Board for Technology Incubation (NBTI), and National Agency for Science and Engineering Infrastructure (NASENI), Energy Commission, Atomic Energy Commission, etc. • Provide Universities and Research Institutes with special grants for applied research and innovation activities relating to the growth and development of MSMEs (a certain percentage of the monetary value of imported technology should be set aside to fund the grants). • Facilitate the process for the commercialization of innovative products and technologies produced by Research Institutes. • Support the production of prototypes and local fabrication for more efficient production by MSMEs through grants and capacity building. • Create improved access to patents and benefits from intellectual property in relation to MSMEs development • Establish technological acquisition windows through licensing, franchising, technical assistance, consultancy services, technical partnership and support for strategic alliances among firms • Institutionalise linkages between businesses and academia in such areas as joint research, program development, adoption of research products/outcomes and internship arrangements at both graduate and postgraduate levels. • Support MSMEs to make strategic use of information and

			communications technology to maximize their efficiency and develop new business methods and market opportunities • Encourage Research Institutes to buy research results in bulk and adopt them for the Nigerian context. This could include the acquisition of expired patents (abroad) that are still relevant to Nigeria and use reverse engineering to customize them
5.	EXTENSION AND SUPPORT SERVICES	• To provide relevant, adequate, timely, accessible and affordable extension and support services to MSMEs. • To establish and promote the operations of specialised support services in critical areas such as information resources, business development services, market linkages and liaison, technical support services, information and communications technology (ICT).	• Compilation of comprehensive, updated and accessible database (directory) on MSMEs in Nigeria • Encourage the formation of private sector business development services providers in order to provide BDS to MSMEs across the country • Institute accreditation processes for BDSPs to ensure data for planning and quality control/standards on services delivered to MSMEs. • Institute effective Monitoring & Evaluation and Post-training BDS by SMEDAN • Establish a network of regularly updated and accessible business information centres to serve as one-stop information shops for MSMEs • Dedicate aspects of the SMEDAN website to promote products/services of MSMEs • Establish Business Support Centres (BSCs) to provide training, mentoring, management & technical advisory and counselling to MSMEs • Provide skills enhancement (training) for Business Development Service Providers (BDSPs) to deliver affordable and relevant technical and advisory services to MSMEs • Forge organic relations between MSMEs and business development service providers to ensure relevance and impact by SMEDAN. • Set up special science, engineering and technology training centres for

			practical hands-on training for both existing and aspiring entrepreneurs and their managers. • Establish special non-formal education and training courses and programmes for MSME owners, managers and workers
6.	MARKE TING	• To promote production and marketing of products and services that are locally/ internationally competitive and which meets global standards. • To provide access to market information and available marketing facilities.	• Provision of improved infrastructure and marketing facilities with special emphasis on transportation, communication and electricity • Deliberate efforts by Government to patronize MSMEs products/services. • SMEDAN should create a relevant stakeholders forum for the creation of necessary apparatus for marketing research for MSMEs, the result of which must be disseminated to interested MSMEs. • Establishment of annual competition awards for quality and competitiveness. • Organization of product fairs for quality comparison and improvements • Harmonization of activities of regulatory agencies like NAFDAC, SON and CPC to eliminate multiple charges and enhance competitiveness. • Strengthen the operation of the Sub-Contracting and Partnership Exchange (SPX) programme. • Institutionalize e-commerce procedures**.**
7.	INFRAST RUCTURE AND COST OF DOING BUSINESS	• To establish a conducive environment for enterprise development through the provision and maintenance of infrastructural facilities and services, in consultation and cooperation with the private sector. • To promote special	• Provide basic infrastructural facilities such as access roads, transportation facilities, power supply, water supply and other utilities to qualifying MSME locations and Clusters. • Institutionalise reduced electricity tarrif, through NERC for qualifying MSMEs and MSME clusters. • Encourage the private sector to establish MSME cluster parks, with captive power in strategic sectors around the country.

		infrastructure provision mechanisms designed to ease high production costs among MSMEs.	• Establish public-private partnership systems to support business estates and industrial clusters with essential technical facilities and services • Utilize the system of economic, industrial and free trade zones to promote MSMEs development. SMEDAN to partner with relevant institutions such as free trade zones, NEPZA and private sector institutions to create MSME focused free trade zones. • Resuscitate the Industrial Development Centres (IDCs) and convert them to MSMEs cluster parks for the provision of workspaces for MSMEs on a PPP basis. • Promotion of common facilities and mobilising MSMEs to subscribe to them

Source: NPMSME (2007)

Careful examination of the policy priorities, objectives and strategies reveals a comprehensive articulation of the challenges and solutions to SMEs development in Nigeria. The strategies as enunciated by the policy are geared towards building SMEs sub-sectors that will serve as engine of economic growth, employment generation and reposition Nigerian economy for global competitiveness. However like the previous industrial policies and programmes earlier cited in the study, the Federal Government has not lived up to its expectation in the implementation of the policy, especially as regard its infrastructural component. Government programmes and efforts in pursuit of the policy have largely concentrated on credit and technical facilitation for SMEs, relegating critical infrastructures like power, transport network, land and water. The absence or short supply of these infrastructures creates situations where existing and new SMEs could not utilize and maximize profits from credit facilities advanced to them by Government and financial institutions.

The implementation of industrial policies including NPMSMEs is lopsided and tend to emphasis capital advancement, as if capital is the only major challenge accounting for poor performance of SMEs in the manufacturing sector in Nigeria. As indicated in table 2 earlier, out of 41 programmes initiated in pursuance of Federal Government industrial policies, 38 primarily focused on capitalization and funding of SMEs. It is only the establishment of Industrial Development Centres that attempted to address challenges posed by cost of accessing lands. The centrality of financing in Government industrial policies and programmes tend to have stimulated commercial banks and international finance institutions to prioritize SMEs funding. The priotization of financing does not even suggest adequate funding of SMEs, as bank conditionalities have been a great challenge in accessing those credit facilities. Table below shows aggregate loans and advances to SMEs by commercial banks between 1999-2013.

Table 3: Aggregate Loans and Advances to SMEs by Commercial Banks (1992-2013)

Year	Commercial Banks Loans To small Scale enterprises	Commercial Banks Total Credit (N' Million)	Commercial Banks Loans To Small Scale Enterprises as Percentage of Total Credit (%)
1992	20,4000.00	41,810.00	48.80
1993	15,462.90	48,056.00	32.18
1994	20,52.50	92,624.00	22.19
1995	32,320.10	14,146.00	22.94
1996	42,302.10	169,242.00	25.00
1997	40,844.30	240,782.00	16.96
1998	42.260.70	272,895.50	15.49
1999	46,824.00	353,081..10	13.26
2000	44,542.30	508,302.20	8.76
2001	52,428.40	796,164,.80	6.59
2002	82,368.80	954,628.80	8.63
2003	90,176.50	1,210,033.10	7.45
2004	54,981.20	1,519,242.70	3.62
2005	50,672.60	1,899,346.40	2.67
2006	25,713.7	2,524,297.9	1.02
2007	41,100.4	4,813,488.8	0.85
2008	13,512.2	7,806,751.4	0.17
2009	16,366.5	9,667,876.7	0.17
2010	12,550.3	9,198,173.1	0.14
2011	15,611.7	9,614,445.8	0.16
2012	13,863.5	10,440,956.3	0.13
2013	15,353.0	11,591,979.4	0.1

Source: CBN, 2014

Though it appears that Government and development partners concentrated on credits advancement, table 3 above shows fluctuations in commercial banks loans and advances to SMEs. Besides commercial banks, other financial institutions established by Government for SMEs like Bank of Industry and Bank of Agriculture have also indentified with SMEs in terms of advancing credit facilities. Table 4 below is an analysis of the fund targeted at SMEs in Nigeria by the two development finance institutions (BOI and BOA) and the two special fund and scheme (ACGSF and SMEEIS).

Table 4: Summary Statistics of other Institutional Loans/Funds Granted to SMEs in Nigeria 1978-2009.

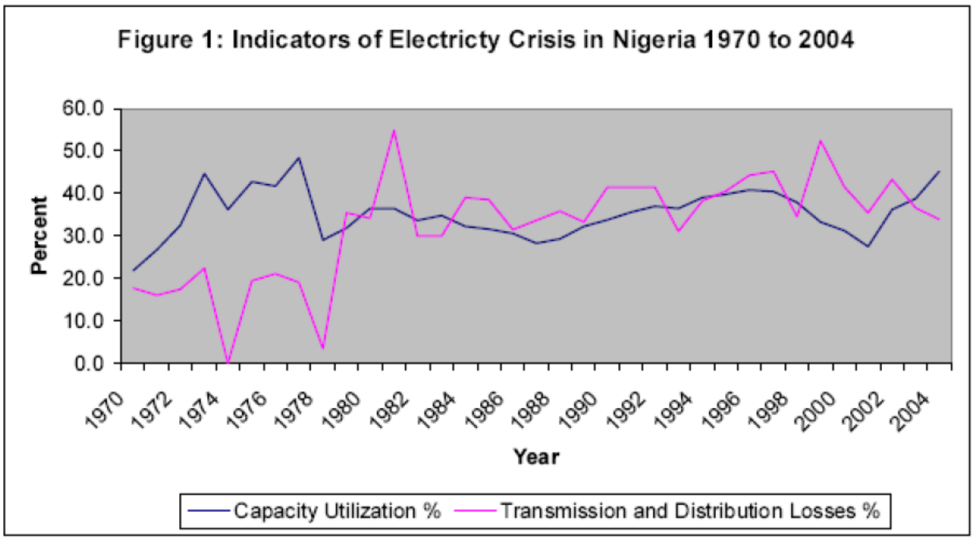
	ACGSF	BOI (₦' M)	BO (₦' M)	SMEEIS (₦' M)
Maximum	8,217.566	17,798.4	6,104.2	7054.1
Mean	1,069.073	2,372.6	931.695	3525.51
Minimum	12.839	16.5	6.7	99.3
Total	34,210.333	66,432.96	23,292.39	28204.1
S.D.	2,046.504	4,688.376	1,530.163	2215.75
C.V.	.914	1.976	1.642	0.628
No. of Years	32	28	25	8

Source: Data Analysis

The success of any industrial policy regarding SMEs development does not only depend on credits but to a large extent on other infrastructures such as power, roads, water, lands, business regulation and capacity building. This explains why poor electricity/power supply, poor transport network, and high cost of acquiring lands are among the critical challenges confronting SMEs in developing economics like Nigeria. Though infrastructure was articulated among the priority areas in the 2007 policy, it has not been adequately addressed. For instance in 2004, major manufacturing firms experienced 316 outages, this increased by 26% in 2005, followed by an explosive 43% increase between 2006 and 2007 (Iwayemi, 2008).Hence Renneika and Svenson (2005) and ADB (2009) noted that poor electricity supply posses great challenge to productivity, investment, growth and competitiveness of SMEs in Nigeria . For instance, an average firm in Nigeria in 2007 experienced an outage of 8.2 hours, 26.3 times in a typical month translating into about 216 hours on average every month (Oseni and Pollit, 2013). The distribution of cost imposed by frequent power outages is disproportionately high for the SMEs. It is estimated that SMEs spend 25% of their investment costs on back up generating plant (Lee and Anas, 1991).

Similarly the Manufacturer Association of Nigeria (MAN) Survey, (2005) reports that the cost for generating power supply by Nigerian firms for production activities amounts to about 36% of firms' costs of production. Iwoyemi, (2008) also noted that about 20% of investment in large industrial projects is usually allocated to alternative sources of electricity supply. Because of this, banks insist on provision for captive generating plants before any loan request is considered worthy of being granted (Ayoyi, 2005). Figure 1 below presents the economic costs of electric power outage as a percentage of GDP in some selected African countries.

Figure 1: Indicators of Electricity Crises in Nigeria 1970 to 2004



Source: PHCN and NEPA as cited in Iwayemi, (2008)

The figure shows that Nigeria has the highest with more than 3.5% of GDP (Eberhard, et al, 2009). Besides, aggravating cost of production, frequently power outages leads to damage of equipments and goods at various stages of manufacturing are also affected (Okafor, 2008). Table below shows a comparative analysis of consumption of electricity worldwide.

Table 5; Comparative Analysis of Consumption of Electricity Worldwide

Country	*Population*	*Power Generation*	*Per Capita Consumption*
United States	250.00 Million	813,000MW	3.20KW
Cuba	10.54 Million	4,000MW	0.38KW
United Kingdom	57.50 Million	76,000MW	1.33KW
Ukraine	49.00 Million	54,000MW	1.33KW
Iraq	23.60 Million	10,000MW	0.42KW
South Korea	47.00 Million	52,000MW	1.09KW
South Africa	44.30 Million	45,000MW	1.015KW
Libya	5.50 Million	4,600MW	1.015KW
Egypt	67.90 Million	18,000MW	0.265KW
Nigeria	140.00 Million	4,000MW	0.03KW

Source: Agbo (2007)

It is unfortunate that Libya with a population of only 5.3 million has generating capacity of 4,600 megawatts, approximately the same as Nigeria that has a population of about 140 million (Lohor and Ezeigbo 2006; Oloja and Oretade, 2006). Table below depicts electricity supply to different industrial axes of the country in percentage.

Table 6:Electricity Supply to Different Industrial Axes of the Country in Percentages

		PERCENTAGE OF POWER SUPPLY BY NEPA/PHCN IN			
S/N	**ZONE**	**2003**	**2004**	**2005**	**2006**
1.	Oyo, Osun, Odo, Ekiti Axis	53.00	39.60	26.65	33.30
2.	Edo/Delta Axis	39.30	18.30	64.60	45.70
3.	Anambra/Enugu Axis	43.10	24.13	25.65	23.70
4.	Kano State Axis	24.5	28.75	40.40	39.15
5.	Bauchi, Borno, Benue, Adamawa, Plateau Axis	52.50	19.75	57.55	60.60
6.	Ogun Axis	22.30	46.25	54.35	50.60
7.	Imo/Abia Axis	33.20	28.30	41.85	31.90
8.	Kaduna Axis	44.00	311.25	46.25	27.50
9.	Rivers Axis	45.50	8.00	40.65	44.50
10.	Lagos Axis	48.30	39.18	52.70	52.25
	Average Per Year	**40.56**	**31.30**	**45.40**	**41.70**

Besides epileptic power supply, poor transport network, is another component of investment infrastructure successive regimes have failed to address in pursuit of the NPMSMEs. Transportation is the hub of economic activities, goods and people must more from one destination to another. In a situation where the road, rail, air and water ways are poorly developed it create additional production cost for SMEs and hinder maximization of profit. According to CBN (2003), the estimated current total road network in Nigeria is about 194,000 kilometers, out of that only 19% of these are paired, while the rest are at different stages of dilapidation. It further noted that the annual loss to bad roads is valued at N80 billion, while additional vehicle operating cost resulting from bad roads is valued at N53.8 billion, bringing the total loss per annum to N133.8 billion. This does not include other economic losses from bad roads such as air pollution, delayed movement, armed robbery and increased accidents on the roads. Bad roads exert wear and tear on vehicles deployed for productive activities and as such increases the maintenance cost, which is borne either by business owners or final consumers. Moreover, lack of access roads to sources of raw materials for SMEs creates artificial scarcity and the need for middlemen or agents, which further add to cost of production. Moreover, good road network is strategic to rural and urban marketing, because greater percentage of Nigeria population resides in the rural areas, and products and services from SMEs must accessed by them. The table below shows the state of the roads (Trunks A, B and C) in the different tiers of government.

Table 7: State of the Roads (Trunks A,B and C) in the Different Tiers of Government

	Federal	State roads	L. G. Roads	Total	Percent
Paved main roads	26,500	10,400	-	36,900	**19%**
Unpaved main roads	5,600	20,100	-	25,700	**13%**
Urban roads	-	-	21,900	21,900	**11%**
Main rural roads	-	-	72,800	72,800	**38%**
Village Access Roads	-	-	35,900	35,900	**19%**
Total	32,100	30,500	130,600	193,200	**100%**
Percent	**17%**	**16%**	**67%**	**100%**	

Source: CBN 2003

The rail transport system also suffers long years of neglect, before now rail transportation remains the most convenient and cheapest means of moving goods. However with the collapse of rail system, road transportation become inevitable with the attendant high cost and risk. It logical to conclude that the present state of roads in Nigeria is combined effects of congestion, overuse and lack of maintenance. The water ways and aviation industry are also poorly developed; hence most of SMEs operators could not afford their services, adding further pressure on the road transport. The aviation industry since inception has been characterized with uncertainty, as a result of government polices and operational cost. This makes it unpopular for users especially business community. It challenges range from high cost of flight fares, frequent crashes, delayed and concealed flights and limited number of airports and aircrafts in Nigeria.

The water ways equally suffer the same challenges with the aviation industry, though remains the major channel for international business. However, Government regulation in the maritime sector has been a major challenge in SMEs accessing services provided by them. These challenges range from bureaucratic bottlenecks associated with goods clearance at the ports, multiple changes by government agencies like the Customs, Nigeria Ports Authority, Clearing Agencies and operators of sea lines.

The exorbitant cost of accessing lands especially in the urban centres, where most of SMEs are located has become major concern for SMEs operators. Though the subsisting land law regime confers ownership of land on the state, Federal

Government could still partner with states to create industrial sites for SMEs. The unavailability of lands has put pressure on available ones and sky-rocked rents payable to fixed property owners to the detriment of SMEs.

Another challenge the industrial policies over the years have failed to address is access to safe water, according to 2008 report of the WHO/UNICEF JMP (Joint Monitoring Programme for water supply and sanitation) the proportion of the population using water from improved sources was only 47% in 2006, while just about 30% used improved sanitation facilities (WSMP, 2008). It was reviewed by the Water and Sanitation Programme (WSP, 2012), about 70 million Nigeria's use unsanitary or shared latrines and 32 million have no latrines at all and defecate in the open.

The implication of the forgoing is that SMEs has been underperforming owed to the failure of the policy to address critical infrastructures. In this regard Duru (2000) held that Nigeria has not been able to make appreciable progress in industrial development due to policy failure. Hence the various industrial policies have not positioned the SMEs for meaningful contribution to GDP and employment generation. The failure of SMEs to generate expected jobs partly account for the job crisis in Nigeria. Statistics on employment shows that unemployment is on the rise; 19.7%, 21.1% and 33% in 2009, 2010 and 2011 respectively. The contribution of SMEs to GDP has also recorded poor performance, according to CBN Report 2016, SMEs contribution to GDP in 2012, 2013, 2014 and 2015 stood at 13%, 12%, 14% and 13% respectively. This is largely as a result of capacity underutilization, as the expected output is not met following exorbitant cost of accessing basic infrastructures for production.

Conclusion and Recommendations

The study noted that SMEs play critical roles in economic growth and development; hence Federal Government industrial policies and programmes are aimed to harness their potentials. However, the SMEs in the manufacturing sector have not contributed significantly to Nigerian economy in terms of poverty reduction, job creation and GDP growth. This is largely on account of lopsided implementation of industrial policies including 2007 NPMSMEs, which concentrated on advancing credit facilities at the neglect of critical investment infrastructures like power, road, water and land, which have constituted great challenge to SMEs operations. The study therefore recommended aggressive infrastructural rehabilitation and establishment of industrial sites by Government at all tiers of governance in Nigeria.

References

Adelaja, A.O. (2013). The importance of small and medium scale industries in a developing/underdeveloped economy: Nigeria case study, *http://www.goggle.com,* (Retrieved on 12th June, 2016).

Adesanya, S.A. (2011). An assessment of the impact of industrial development centers (IDCS) on generation of employment by small-scale business in Nigeria" in *Journal of Sustainable Development,* 4(3).

African Development Bank, (2009). Annual report 2009 as cited by Oseni M.O and Pollit M. 2013. Economic costs of unsupplied electricity: Evidence from back up generation among firms in Africa. EPRG working paper no 1326, 2013.

Agozie, O., Oboreh J., Umukoro, F. and Ayozie U. (2013). Small and medium scale enterprises (SMES) in Nigeria the marketing interface, *Global Journal of Management and Business Research Marketing;* vol 13, Issue 9, pp 2249-4588.

Aigboduwa, J.E. and Oisamoye M.D. (2013). Promoting small and medium enterprises on the Nigerian oil and gas industry in *European Scientific Journal,* 9(1).

Ajayi, G.A., 91995). Cost-benefit analysis of captive power generation by manufacturing industries in Nigeria. Unpublished PhD thesis, Department of Economics, University of Ibadan, Ibadan.

Alese, J. and Alimi O.Y. (2014). Small and medium scale enterprises financing and economic growth in Nigeria: Error correction mechanism in *European Journal of Globalization and Development Research,* 11(1).

Aliyu, M. S. and Garba B.B. (2013). An assessment of the contribution of commercial banks to the Growth of small and medium scale enterprise in Nigeria, in *International Journal of Research in Social Science,* 2(4).

Antonne E.,etal (2009). Underpowered: The state of the power sector in sub-saharan Africa. AICD Background paper 6, Africa region, World Bank, Washington, DC as cited in Foster V and Pushak N., 2011. Nigeria's infrastructure: A continental perspective. World Bank policy research working papers no5686.

Central Bank of Nigeria (2003). Highway maintenance in Nigeria; Lessons from other countries, Research Department occasional paper No.27.

Central Bank of Nigeria (2004) Baseline economic survey of small and medium scale industries in Nigeria.

Central Bank of Nigeria (2011). SMEs financing in Nigeria. *Retrieved on the 11th of January, 2011 from http://www.cenbank.org.*

Duru, M. (2012). New challenges of industrial policy in Nigeria. *Universal Journal of Management and Social Services.*

Eniola A. and Entebang H. (2015). SME firm performance-financial innovation and challenges, *Procedia-Social and Behavioural Sciences,* 195, 334-342.

Federal Government of Nigeria (2007). National policy on micro, small and medium enterprises.

Gbandi, E.C. Amissah G. (2014). Financing options for small and medium enterprise (SMEs) in Nigeria, in *European Scientific Journal,* 10(1).

Hamza Alavi (1972). The state in post-colonial societies: Pakistan and Bangladeshi; *New Left Review,* 1/74.

Ibeanu, O. (1998) The state and the market; Reflections on Ake's analysis of the state in the periphery. *African Development,* 18(3).

Ijere, T.C. (2014). The state, governance and socio-economic development realities in Nigeria, in *Public Policy and Administrative Research,* 4(1).

Iwayemi, A. (2008). Nigeria dual energy problems; Policy issues and challenges.

International Association of Energy Economists.
Iwayemi, B. (2008). Nigeria dual energy problems; policy issues and challenges. *International Association of Energy Economists.*
Lee, K.S. and A. Anas (1992). Impacts of infrastructure deficiencies on Nigerian manufacturing: Private alternatives and policy options. Infrastructure and Urban Development Department, Washington, D.C.
Lohor, J. and Ezeigbo (2006). Nigeria population is 140m. *Thisday*. December 30 2006 pp 1-4.
Manufacturers Association of Nigeria (2007). Economic review. 2003-2006. *A publication of the Manufacturers Association of Nigeria*.
Ojeka, S.A. (2011). Tax policy and the geowth of SMEs: Implications for the Nigerian Economy in *Research Journal of Finance and Accounting* 2(2).
Okafor, E. (2008). Development crisis of power supply and implications for industrial sector in Nigeria; *Stud Tribes Tribals,* 6(2): 83-93.
Olojo, M. and Oretade, T. (2000). Nigeria's population now 140m. *The Guardian.* December 30, 3006 pp. 1-2.
Oni, E.O. and Daniya A.A. (201). Development of small and medium scale government economic/market reforms in Nigeria", in *Conference of the International Journal of Arts and Sciences,* 1(20).
Oreoluwa, A.R. (2011). Small and medium scale enterprise and economic growth in Nigeria: An assessment of financing options, in *Pakistan Journal of Business and Economics Review,* 2(1).
Oseni, M.O. and Pollit M. (2013). Economic costs of unsupplied electricity: Evidence from backup generation among firms in Africa. EPRG Working paper no 1326, 2013.
Reinikka, R., and Svensson, J. (2002). Coping with poor public capital in *Journal of Development Economics,* 69, 51-69.
UK Essays (2015). Review the industrial development policies in Nigeria, Economics Essays, *UK Essays*, 23rd March, 2015.
Water and Sanitation Programme (2008). Annual Report.
Water and Sanitation Programme (2012). Annual Report.