LONG-RUN ANALYSIS OF SMALL AND MEDIUM ENTERPRISES AND ECONOMIC GROWTH IN NIGERIA

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Abstract
The study investigated the long run analysis of small and medium enterprises and economic growth in Nigeria. SMEs in Nigeria are faced with poor infrastructural facilities and access to finance which affects long term growth and survival of SMEs in Nigeria. The objective of the study is to investigate the long run analysis of small and medium enterprises and economic growth in Nigeria. The study used VECM as an analytical tool for analysis. The study found out that SMEs have significant impact and contribute greatly to the GDP in Nigerian economy. Moreover, the study found out that there is causal relationship between the variables both in the long run and short run. Therefore, the study recommends that government should introduce more empowerment policy programs to SMEs in order to boost their performance which would lead to increase in GDP in Nigeria.

Introduction

The great potential benefits of Small and Medium Enterprises (SMEs) in Nigerian economy, its contributions to the economy in terms of processed goods and services, creation of jobs opportunities, reducing income inequalities, increasing gross domestic product, human development of a pool of skilled and semiskilled for the future industrial growth and expansion of the industrial sector for a sustainable period of time (Azende, 2011). However, SMEs bring about sustainable growth, industrialization and development of a country. The importance of SMEs in an environment and the country at large is overwhelming especially to the GDP. SMEs have contributed to the development of newly industrialized nations such as, China, Indonesia, Malaysia, South Korea, among others. These nations make up the major percentage of businesses in the world and play extraordinary roles in delivery of goods and services, generating employment, enhancing standard of living, and significantly contribute to the Gross Domestic

Products (GDPs) of these nations and several other countries Organization for Economic Cooperation and Development (OECD) (2000 cited in Omonigho, 2017).

SMEs sector provides means and alternative for a country to achieve some of its macroeconomic objectives which can lead to industrialization of nations through its participation in private driven economy. SMEs reduce unemployment rates, improve standard of living of the people, utilisation of local materials, wealth creations, poverty reduction and also ability to stabilise the country in terms of economics and political environments (Kpelai, 2013). Thus, to achieve these, Nigerian government must make a comprehensive policy programs and commitment as a matter of necessity to sustain SMEs development and financing to achieve sustainable economic growth and development in Nigerian economy. The design of policy regulations, registration of firms, financial markets and access to formal sources of finance,

and regulation of intellectual property rights should be made simple and encouraging, to attract new and existing firms in order to expand the capacity of the SMEs in Nigeria (Baig, 2007). However, it should be noted that Nigerian government has been establishing so many initiatives and programmes towards developing SMEs in Nigeria such as Small and Medium Industries Equity Investment Scheme (SMIEIS), Bank of Industry (BOI), Nigerian Agricultural Cooperative Rural Development Bank (NACRDB), Microfinance Bank, National Directorate of Employment (NDE), Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), Establishment of Entrepreneurship Development Centres (EDCs), and Youth Enterprise with Innovation in Nigeria (YouWIN) (Idam, 2014). Despite, the establishment of these programmes the problems of small medium enterprises have not been effectively addressed due to poor policy implementation, mismanagement, policies and consistency and corruptions. The SMEs most especially small businesses in the rural areas have no access to microfinance services and poor infrastructural facilities have negatively affected quality, growth and the survival of these firms in Nigerian economy. Evidences from the studies reviewed has suggested that access to finance is prerequisite for the development of SMEs and which can lead to long run Growth and also enable SMEs to contribute to the economic growth of Nigeria (Olukayode, 2013).

In spite of the problems and challenges faced by the SMEs in Nigerian economy, the SMEs continue

Literature Review
The theories of economic growth include Keynesian theory which focuses on the role of economic policy by the government to achieve macroeconomic objectives (Abata, Kehinde, & Bolarinwa, 2012). The Harrod-Domar model emphases more on investment leads to more growth. For a country to grow and develop, it must for gone current consumption and save then reinvest the savings which can lead to economic growth (Adenike, Victor and Abiodun, 2014). The saving-investment theory known as the income theory. The theory pointed out that, equality of savings and investments lead to economic growth (Odey, Efefiom and Uchenna,2017). The solow growth model which stated that there are three main factors, which drives economic growth of a country. These are capital accumulation, labour force and technology. An increase in capital stock, technology and labour force increase productivity which can rise GDP (Ewubare and Ogbuagu, 2015).

to functions to some level and contribute immensely to the national economic growth and development of Nigerian economy. The most challenge the SMEs are facing in Nigeria is poor infrastructural facilities, poor policies implementations and corruptions in Nigeria affected long term growth and survival of SMEs in Nigeria. SMEs in a developing country like Nigeria, if policies implementation is consistently enhanced through good planning, good policies and programs and adequate provision of infrastructural facilities, this will lead to sustainable growth and development of the Nigerian economy (Zacheus & Omoseni, 2014).

Based on the studies reviewed, the study has identified some gaps such as the scope and methodology. The gaps of the study are the scope and methodology used which differs from the studies reviewed. The study intends to bridge these identified gaps. However, studies related to SMEs in Nigeria are much. Therefore, this study is different from the others because of its scope and methodology used. This study is of great importance and contributes to existing knowledge, policy makers and government agencies and also as a reference material to other researchers.

In view of the above, the main objective of the study is to investigate long run analysis of small and medium enterprises and economic growth in Nigeria.

Therefore, the theoretical framework for this study is anchored on the Small Businesses Enhancement Theory: The theory pointed out the necessity for government intervention in the SME sector (the enhancement theory is synonymous with the term Strategic-Planning) for the sake of the strategic enhancement of both the internal and external aspects of the business environments in which small businesses operate. The strategic-Enhancement is necessary for SMEs sector growth which will come after comprehensive policy programs and which is requisite for SMEs sub-sector growth. This lays the foundations for innovation and growth of SMEs (Mosk, 2010; Iqbal, 2015; Gray, 1997 cited in Munirat & Yusuf, 2017). The central thesis of the theory posits that government intervention is a prerequisite for the development of SMEs in Nigerian economy. Therefore, the development of SMEs subsector in Nigeria depends on the commitment of the government to boost the sector through strategic planning and implementation of the policies programs toward the SMEs growth and development. Moreover, boosting the SMEs

subsector would contribute immensely to the growth of GDP and other variables in Nigerian economy.

Empirical Literature

Azende (2011) evaluated the performance of the Small and Medium Scale Enterprises (SMEs) Equity Investment Scheme in Nigeria (SMEEIS). The objective of the study was to analyse performance of the Small and Medium Scale Enterprises (SMEs) Equity Investment Scheme in Nigeria (SMEEIS). The study used both descriptive and inferential statistics such as paired sample t-test was used as a technique of estimation to test the significance of bank loans before and after the introduction of SMEEIS. The study has shown that there was no significance difference between the loans disbursed by banks to SMEs before and after the introduction of SMEEIS and the conditions for accessing SMEEIS funds was very difficult and beyond majority of SMEs in Nigeria most especially in the rural areas. This showed that SMEEIS, as a formal financing option, has not made any significant impact towards SMEs growth in Nigeria.

Akingunola (2011) investigated small and medium scale enterprises and economic growth in Nigeria, an assessment of financing options. The objective of the study was to assess specific financing options available to SMEs in Nigeria and contribution to economic growth through investment level using secondary data. The study used inferential and descriptive statistics as analytical tools for analysis. The Spearman's Rho correlation was employed to determine the relationship between SMEs financing and investment level. The found out that there is significant positive relationship between SMEs financing and economic growth in Nigeria through investment level in Nigerian economy. The study recommended that low interest rate should be provided to small and medium enterprises in Nigeria in order enhance economic growth.

Zacheus and Omoseni (2014) examined the impact of SMEs on Economic Development of Ekiti State (2006-2013). A multi stage sampling method across 16 local government areas in Ekiti State was used to obtain the data from the respondents using questionnaires. The data were obtained from 150 respondents comprising of traders, artisans, production factories and other small and medium enterprises which were selected in the study area. The study employed both descriptive and inferential statistics as an analytical tool. The study found out that the coefficients were statistically significant. Moreover, findings of the study revealed that there is a positive and significant relationship between SMEs and poverty reduction, employment generation and improvement in

standard of living of people in Ekiti State. Furthermore, the result revealed that there was 57% increase in the number of SMEs in the State between the years 2009 - 2013.

Ogbuanu, Kabuoh and Okwu (2014) employed descriptive method of analysis to investigate the relevance of the manufacturing SMEs in growth of the Nigerian economy. Te results showed that the manufacturing SMEs made sizable contributions to the gross domestic product, 7 per cent share in employment for greater part of the 2002-2012 period and increase shares in GDP. The contributions to export commodities fluctuated with lowest levels experienced between 2008 and 2010. The study concluded that the manufacturing SMEs are capable of creating jobs and increasing employment, reducing the rate of unemployment in Nigeria and accelerating economic growth through increased contributions to gross domestic output.

Muhammad (2014) studied the impact of small and medium enterprises on economic growth; evidence from Pakistan. The study used secondary data for the period of 1981 to 2013. The variables included in this study were GDP growth rate, Trademark total, public expenditure on education, Patent Applications, High Technology Exports, Share of export as percentage of GDP, Inflation rate for the analysis of the study. The study employed Ordinary Least square as an estimation technique. The variables were found to have positive and significant relationship with economic growth. The public expenditure on education as percentage of GDP has found to be significant. Moreover, the findings of the study have shown that there is positive significant impact found between process innovation and SMEs growth. Similarly, the strong correlation is estimated to exist between SMEs performance and economic growth of Pakistan.

Abdul-kemi (2014) investigated the impact of SMEs financing on economic growth and development of Nigeria. The study used secondary data from (1992-2013). Autoregressive Integrated Moving Average (ARIMA) model was applied in the analysis. The study found that aggregate commercial banks financing of SMEs has significant positive impact on the economic growth and development of Nigeria. The study also found that Microfinance banks' financing in the area of transportation and commerce, manufacturing and food processing and other activities have significantly impacted on economic growth and development of Nigeria during the period of the study. The study concluded that SMEs financing could significantly improve entrepreneurship in Nigeria and the economic development in return.

Omonigho (2017) analysed the effect of SMEs on economic growth in Nigeria from 1982 – 2012. Data were analyzed using Pearson Product-Moment Correlation Coefficient (PPMCC). The study found out that there is a correlation between

GDP at current Basic Prices. This has indicated that there is a significant and positive relationship between SME's contribution to Nigeria's Gross Domestic Product (GDP) and Nigeria's GDP from 1982 to 2012.

Methodology

The study used secondary sources of data from 1994 to 2017 from CBN statistical bulletin 2017. The study employed estimation technique that is appropriate for the analysis of the data. The first diagnostics used is to test for the presence of non stationary of the variables or unit root test and to ensure that the series meets the condition for applying the Vector Autoregressive (VAR) and Vector Error Correction Mechanism (VECM) estimation techniques. Augmented Dickey Fuller (ADF) used in checking for the unit root of the variables for the analysis. To estimate the empirical VAR, the study started with determining the optimal lag for the VAR at level using model selection criteria (i.e., AIC, SIC, HQ, and FPE). The study used AIC against others selection criteria as a model selection criterion and concluded by using optimal lag two (2) as shown by AIC criterion, using VAR approach to check and decide on the lag length criteria because of sensitivity of Johansen co-integration to lag length. The Johansen co-integration test was used to check the presence of long-run relationship in the model using trace statistics max-eigen value. This is because the maximum eigen-values and trace statistics would provide and give the same results of presence of co-integration of the variables. The study decided to use both statistics in order to check the presence

of long run causality between the variables of the study Gt, Mt and St. If the null hypothesis indicates the presence of co-integration then the restricted VAR (VECM) was used as an estimation technique, to find if there is long-run and short run causality between the variables in the model and granger causality test. Similarly, the Wald coefficient test was used to determine the short-run causality between the explanatory variables of the study. The impulse response function employed to examine the response of the SMEs on GDP in Nigerian economy. The cholesky variance decomposition employed in examining and forecasting the variability of the variables in both short and long-run.

Moreover, other diagnostics test that the study used; the post-test used to determine the robustness of the model in which three distinct tests were used for the post test analysis of the study. These post-tests include; the Bruesch-Godfrey test used to check for the presence of serial correlation in the model; the heteroskedasticity test conducted using the Bruesch-Pagan-Godfrey test to check if the variance-covariance is homoscedastic; the normality test employed to check for normality in the distribution of the residuals, if the residuals of the model are normally distributed.

Model Specification

The studies reviewed used OLS as in the work of (Muhammed, 2014), (Abdul-kemi, 2014) employed ARIMA and others. But this study used Vector Error Correction Mechanism (VECM) as an

$G_t = f(S_t, M_t)$

G_t = Gross Domestic Product at current prices, S_t = SMEs share in GDP, M_t = % share of SMEs in GDP.

estimation technique for analysis of the data to see if the variables are conintegrated. Therefore, the system of equations can be expressed in matrix notation as;

$$Y_t \begin{bmatrix} G_t \\ S_t \\ M_t \end{bmatrix} \quad Y_t = a + Z_1 \begin{bmatrix} G_{t-1} \\ S_{t-1} \\ M_{t-1} \end{bmatrix} + Z_2 \begin{bmatrix} G_{t-2} \\ S_{t-2} \\ M_{t-2} \end{bmatrix} + Z_3 \begin{bmatrix} G_{t-p} \\ S_{t-p} \\ M_{t-p} \end{bmatrix} + e_t \text{--------} \quad (1)$$

$$Z_t = \begin{bmatrix} Z_{11} & Z_{12} & Z_{13} \\ Z_{21} & Z_{22} & Z_{23} \\ Z_{31} & Z_{32} & Z_{33} \end{bmatrix} \text{ and } \quad \varepsilon(e_t) = 0 \quad \varepsilon(e_t e_t') \qquad \begin{Bmatrix} \Omega & t = \tau \\ 0 & t \neq \tau \end{Bmatrix}$$

$$B_0 = \begin{bmatrix} a_{10} \\ a_{20} \\ a_{30} \end{bmatrix} \qquad B_1 = \begin{bmatrix} Z_{11} & Z_{12} & Z_{13} \\ Z_{21} & Z_{22} & Z_{23} \\ Z_{31} & Z_{32} & Z_{33} \end{bmatrix} \qquad e_t = \begin{bmatrix} e_{gt} \\ e_{st} \\ e_{mt} \end{bmatrix}$$

$$BY_t = \Gamma_0 + \Gamma_1 Y_{t-1} + \mathcal{E}_t \text{ -- } (2)$$

Premultiply equation (2) by B^{-1} allow us to obtain a standard VAR (1) model

$Y_t = B^{-1}\Gamma_0 + B^{-1}\Gamma_1 Y_{t-1} + B^{-1}\mathcal{E}_t$
$A_0 = B^{-1}\Gamma_0 \qquad A_1 = B^{-1}\Gamma_1 \qquad e_t = B^{-1}\mathcal{E}_t$

$Y_t = A_0 + A_1 Y_{t-1} + e_t$ --- 3

The three variables G_t, S_t and M_t are endogenous. The error terms (structural shocks) $\mathcal{E}g_t$, $\mathcal{E}s_t$ and $\mathcal{E}m_t$ are white noise innovations with standard deviations σg_t, σs_t and σm_t and a zero covariance. Shock $\mathcal{E}g_t$ affects g_t directly and s_t and m_t indirectly.

Results and Discussion

Table 1: Unit Root Test (ADF) of the Variables at Level, 1& 2 Differences

VARIABLES	ADF Test Statistics	5% Level	Prob Value	Order of Integration	ADF Test Statistics	5%Level	Pro Value	Order of Integration
G_t	7.312847	-2.981038	1.0000	I(0)	-6.219111	-2.991878	0.0000	I(2)
S_t	-0.276207	-2.981038	0.9158	I((0)	-4.804408	-2.986225	0.0008	I(1)
M_t	-1.848707	-2.981038	0.3499	I(0)	-5.427723	-2.986225	0.0002	I(1)

Source: Author computation using E-views V8.0

From table .1 the result obtained indicated that we cannot reject null hypothesis because looking at the probability values of the variables are greater than 5% level of significant. This has indicated that the variables such as Gross Domestic Product at current prices (Gt), SMEs share in GDP (St), and % share of SMEs in GDP (Mt) are non stationary at level. The Gt is stationary at second difference while St and Mt are stationary first difference. Therefore, the study applied Johansen co-integration estimation technique to see if the variables have long run relationship.

Table 2:   Johansen Co-integration Test

Max-Eigen value	Trace Statistics	Critical Value	P-value	No of (CEs)
54.23085	60.82661	29.79707	0.0000	None*
6.049268	6.595764	15.49471	0.6251	At most 1*
0.546496	0.546496	3.841466	0.4598	At most 2

Source: Author computation using E-views V8.0

The table 4.2 above, the result obtained has indicated that % share of SMEs in GDP(Mt), SMEs share in GDP (St), and Gross Domestic Product at current prices (Gt), have long run causality between them. The results of the study has rejected null hypothesis of there is no co-integration between the variables. The result of the study has accepted alternative hypothesis of the presence of co-integration of Gross Domestic Product at current prices (Gt), SMEs share in GDP (St), and % share of SMEs in GDP (Mt). Moreover, the long run causality of the variables is also supported by the value of trace statistics and max-eigen value of 1 co-integrating equation at 5% level.

Table 4.3 System of Equations Test

Variables	Coefficients	t-Statistics	Prob Values
C(1)	6.072510	3.393459	0.0192
C(2)	-9.080132	-2.502521	0.0226
C(3)	23.13793	2.023150	0.0313
C(4)	-34.96328	-0.570332	0.5769
C(5)	-129.6298	-3.133585	0.0098
C(6)	695.3585	0.165285	0.8709
C(7)	-66.10464	-5.063827	0.0451
C(8)	456.7000	1.560904	0.1381

$R^2 = 0.6372$
DW = 1.8679
F statistics = 4.0155
Prob(Fstatistics)= 0.0101

Wald Test

Coefficient	F-Statistic	Chi-square	P-value
C(4),C(5)	2.590899	3.181798	0.0438
C(6),C(7)	0.453356	0.906712	0.6355

Source: Author computation using E-views V8.0

From table 4.3 the system of equations (VECM) the Cs are the error correction terms or speed of adjustment towards equilibrium. First there are two conditions that the study has to consider; the long run causality and short run causality. The long run causality is that if the coefficients of the variables are negative and significant, then the coefficients have long run causality between the explanatory variable(s) and the dependent variable. Therefore, from the result obtained above it has shown that some C(s) have long run causality running from the explanatory variables S_t and M_t to the dependent variable G_t. The value of R^2 is 63% variation of G_t is accounted by the S_t and M_t. The value of Durbin Watson is 1.86 which is approximately 2 indicating the absence of serial correlation. The overall value of the model which is indicated by the F statistics is significant at 5% level, this shows that the data fitted the model of the study.

The short run causality according to the wald test if the coefficient is zero and the probability value is greater than 5% level. The null hypothesis cannot be rejected. This indicates that the variables have no short run causality between them. Therefore, from the wald test obtained the probability values are 0.0438 indicating presence of short run causality of the dependent variable and the explanatory variable (G_t and S_t) and 0.6355, this has revealed that M_t and G_t have no short run causality between them.

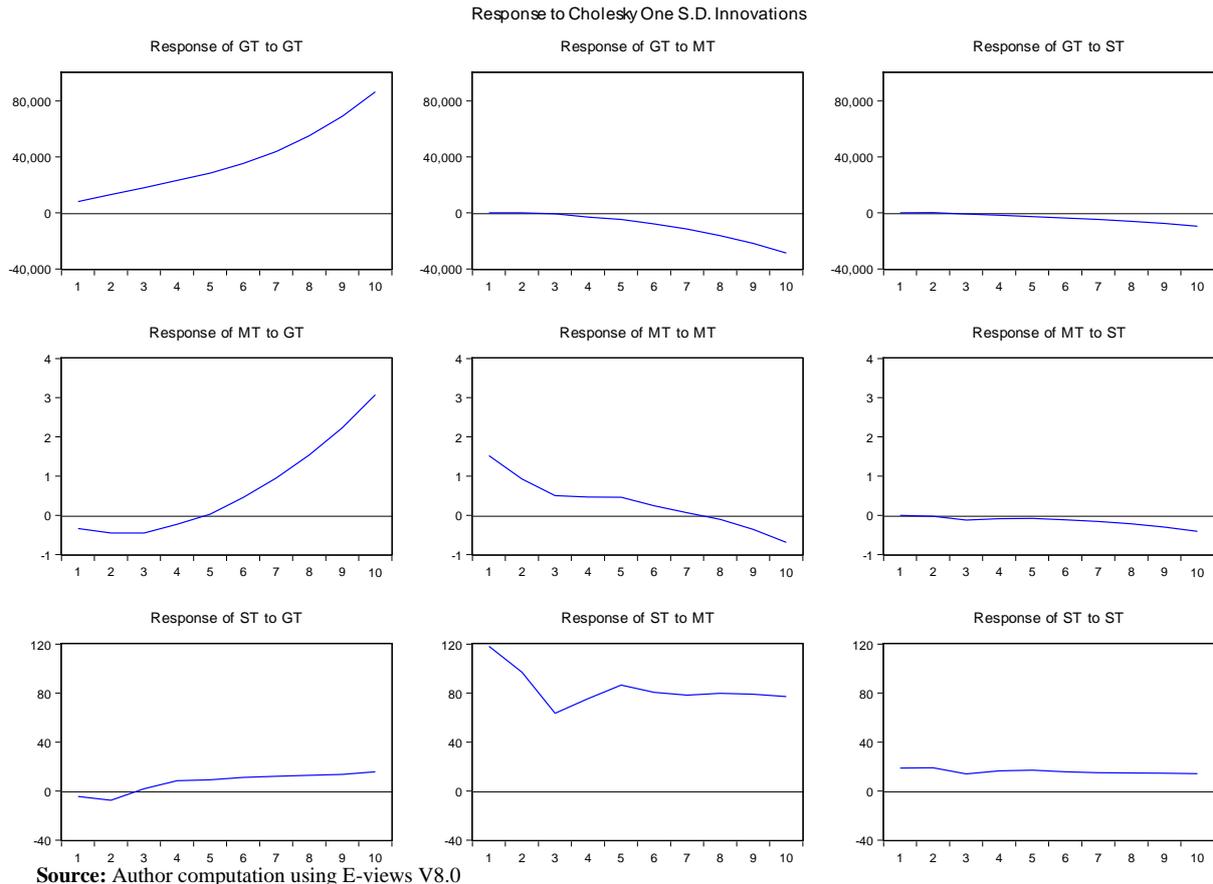**Source:** Author computation using E-views V8.0

Fig.1: **Impulse Response Function**

From figure 1 the result obtained when there is innovation or shock, Gross Domestic Product at current prices (Gt), is responding to Gross Domestic Product at current prices (Gt), steadily increasing from period one to ten. The change in Gt to Mt is that one standard deviation shock in Mt, initially is zero but when it reaches years, it declines and becomes negative. When there is shock, the reaction of Gt to St is zero from the first year but after some years, it negatively declines gradually up to the last year.

A change in Mt to Gt is that one standard deviation impulse in Gt is negative from the beginning, when it reaches year 5, Gt steadily increases up to the 10th year. And when there is innovation or shock, St responding to Gt is negative initially till it reaches years and then gradually started increasing to 10th year.

Table 4: Variance Decomposition

Variance Decomposition of GT:				
Period	S.E.	GT	MT	ST
1	6850.194	100.0000	0.000000	0.000000
2	11285.73	98.65927	1.033400	0.307333
3	15525.41	96.20227	3.177602	0.620128
4	20156.03	93.83068	5.227713	0.941607
5	25513.82	92.11578	6.625652	1.258569
6	31911.39	91.05047	7.391090	1.558444
7	39692.58	90.46273	7.697531	1.839741
8	49259.12	90.18637	7.709729	2.103904
9	61099.16	90.09910	7.549007	2.351889
10	75817.33	90.11978	7.296358	2.583864
Variance Decomposition of MT:				
Period	S.E.	GT	MT	ST
1	1.445640	0.959281	99.04072	0.000000
2	1.707774	1.568284	96.94056	1.491153
3	1.762196	1.556217	96.30062	2.143167
4	1.781369	2.133343	95.32337	2.543288
5	1.812681	4.765950	92.31082	2.923233
6	1.871004	9.906587	86.76100	3.332413
7	1.968197	17.67614	78.53487	3.788995
8	2.120260	27.83485	67.88486	4.280290
9	2.348412	39.56948	55.67158	4.758939
10	2.678705	51.55815	43.27835	5.163504
Variance Decomposition of ST:				
Period	S.E.	GT	MT	ST
1	115.2327	0.171418	92.99313	6.835455
2	147.5302	0.355854	94.21883	5.425312
3	163.8723	0.361369	93.42148	6.217150
4	176.5428	0.374069	91.58553	8.040405
5	188.3612	0.328774	89.26190	10.40932
6	200.7539	0.500700	86.28771	13.21159
7	215.1858	1.650410	82.01625	16.33334
8	233.6586	4.902528	75.58673	19.51074
9	259.1369	11.37210	66.35900	22.26890
10	295.7855	21.44563	54.54361	24.01076
Cholesky Ordering: GT MT ST				

Source: Author computation using E-views V8.0

From table 4 the study indicates that in the short run (in year 2) shock or innovation to Gt is accounted for 98.65% fluctuation in its own shock Gt. Shock to Mt and St can cause 1.03% and 0.30% variation in Gt. In the long run, a change in the variance of Gt is 90.11% to Gt and a variation to Mt and St cause 7.29% and 2.58% variance fluctuation in Gt. This has indicated that in the long run the variance decomposition of Gt decreases and the variance decomposition of Mt and St Increase.
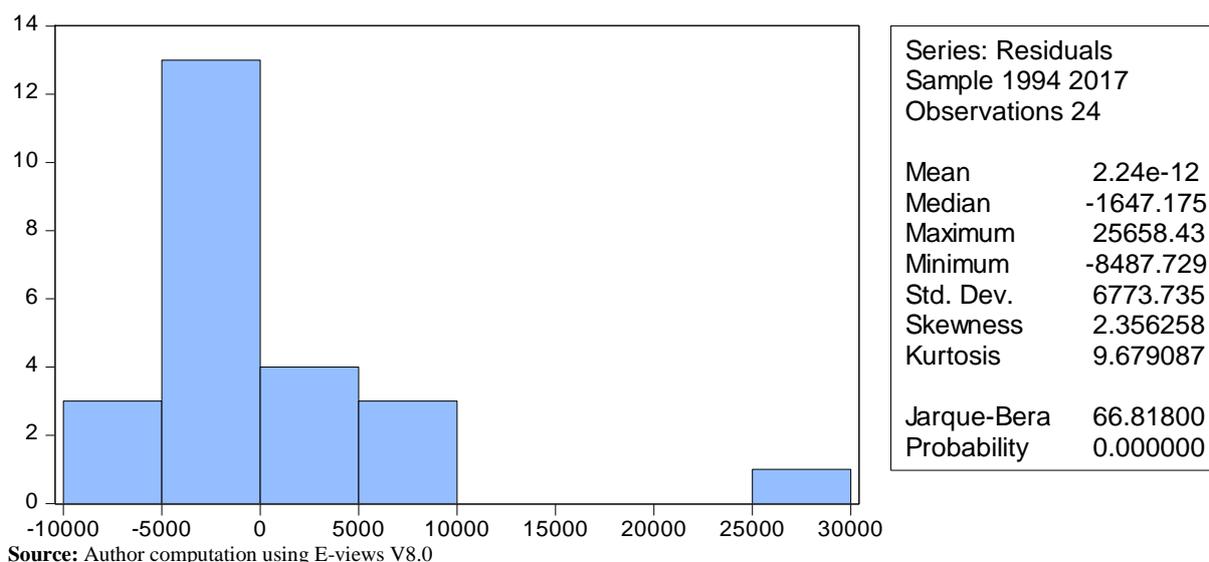
Series: Residuals	
Sample 1994 2017	
Observations 24	
Mean	2.24e-12
Median	-1647.175
Maximum	25658.43
Minimum	-8487.729
Std. Dev.	6773.735
Skewness	2.356258
Kurtosis	9.679087
Jarque-Bera	66.81800
Probability	0.000000

Source: Author computation using E-views V8.0

Fig 2: **Diagnostic Test Statistics (Test of Normality)**

The test of normality has shown that the value of Jarque-Bera and its corresponding value of probability value is <5% indicating that the residuals are not normally distributed and is not desirable in the model.

Table 5: Test of Serial Correlation

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	0.615313	Prob. F(2,13)	0.6878
Obs*R-squared	5.4069801	Prob. Chi-Square(2)	0.9130

Source: Author computation using E-views V8.0

From table 5 the result obtained is that the observed R- squared and its corresponding probability chi-square value shows that the null hypothesis cannot be rejected rather the null hypothesis is accepted. This indicates that there is absence of serial correlation in the model which is very good and desirable in the model.

Table 6: Test of Heteroskedasticity
Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	0.449265	Prob. F(9,14)	0.8851
Obs*R-squared	5.378218	Prob. Chi-Square(9)	0.8002
Scaled explained SS	10.37289	Prob. Chi-Square(9)	0.3211

Source: Author computation using E-views V8.0

From 6 the result obtained is that the observed R-squared and its corresponding probability chi-square value shows that the null hypothesis cannot be rejected rather the null hypothesis is accepted. This indicates that there is absence of heteroskedasticity in the model which is very good and desirable in the model.

Therefore the study shows that the variables of the study such as Gross Domestic Product at current Prices Gt and SMEs share in GDP St and % share of SMEs have both long and short run causality between them. The results of the study further indicate that 63% of variation of GDP is accounted by the St and Mt. Therefore, the findings of the study is consistent with the findings of (Abdul-kemi, 2014; Muhammad, 2014; Akingunola, 2011; and Omonigho, 2017) that SMEs contribute to the greatly to GDP in Nigerian economy.

Conclusion and Recommendations
The study investigated the long run analyses of small medium enterprises and economic growth in Nigeria. The findings of the study concluded that SMEs contribute greatly to the GDP in Nigerian in terms of increase in output both in the long run and short run. The study recommends that government should introduce more empowerment policy

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programs to SMEs in order to boost their performance which leads to increase in GDP. The government should make access to finance to SMEs in Nigeria to be less restricted. The Nigerian government should improve the infrastructural facilities in the Nigerian economy this can increase the productivity of SMEs.

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