CRITICAL STUDY OF PROBLEMS AND PROSPECTS OF MICRO AND SMALL SCALE ENTERPRISES IN SOUTH WESTERN NIGERIA

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"I do hereby attest that I am the sole author of this project/thesis and that its contents are only the result of the readings and research I have done".

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Dedication

This thesis is dedicated to the Almighty God for His Mercies and Grace during the course of this research work.

ABSTRACT

This thesis is aimed at finding out the prospects and problems of micro and small scale enterprises in South-Western states of Nigeria.

Research was carried-out on the prospects and problems of micro and small (MSE) scale enterprises in South Western states of Nigeria through conferences, literature search, Internet, seminars and with the aid of questionnaire.

This thesis presents the economic environment of South Western Nigeria, looking at past economic performance, current economic policies and government programmes, and made attempts to forecast the economic direction for the next few years, it also review South Western Nigeria's manufacturing industries performance to guide us towards a comprehensive study and analysis of micro and small scale enterprises.

Chapters one and two provides an overviews of the micro and small scale enterprises sub-sector in the South Western Nigeria context, detailing various definitions and searching the literatures in order to understand how micro and small scale enterprises influence the economy of South Western Nigeria. It also identifies the prospects and problems faced by MSE, and attempt was made to proffer solution. While Chapters three and four of the thesis sets the stage of MSE sector profiling by assessing those industry groups with heavy MSE presence and explains the basis for selecting the profile. Also, the chapters highlights the needs of MSE in South Western Nigeria, review what is available, and identify gaps, opportunities and initiatives for consideration. Chapter five is the Summary, Conclusion and Recommendations, key action steps needed, are detailed in this chapter.

Key words: Micro and Small scale enterprises, Past Economic Performance, Current Economic Policies, Knowledge Management, Knowledge, Organisational Performance, Financial Performance, Market-Customer-base, Future Performance and South Western Nigeria.

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List of Abbreviations

ADR Alternative Dispute Resolution

AGOA Africa Growth and Opportunities Act

AMSCO African Management Services Company

APDF African Project Development Facility

CAC Corporate Affairs Commission

CBN Central Bank of Nigeria

ECOWAS Economic Community of West African State

EIU Economic Intelligence Unit

EPZ Export Processing Zone

ESSA Enterprise Support Services for Africa

FDI Foreign Direct Investment

FIRS Federal Internal Revenue Service

GDP Gross Domestic Product

GEF Global Environment Facility

GSM Global Environment Facility

GTZ Gesellschaft fur Techn. Zusammen-arb

IBRD International Bank for Reconstruction and Development

IDC Industrial Development Centres

IRC International Finance Corporation

IMF International Monetary Fund

MAN Manufacturers Association of Nigeria

ME Micro Enterprises

MIGA Multilateral Investment Guarantee Agency

MSE Medium Scale Enterprises

NASME National Association of Small and Medium Enterprises

NASSI Nigerian Association of Small Scale Industries

NBCE Nigerian Bank for Commerce and Industry

NCC Nigerian Communications Commission

NEPA National Electric Power Authority

NEPC Nigerian Export Promotion Council

NERFUND National Economic Reconstruction Fund

NESG Nigerian Economic Summit Group

NGO Non-Governmental Organizations

NIDB Nigerian Industrial Development Bank

NIPC Nigerian Investment Promotion Commission

NITEL Nigerian Investment Promotion Commission

MSE Micro and Small scale Enterprises

OPS Organized Private Sector

SAP Structural Adjustment Programme

SME Small and Medium Scale Enterprises

SMID Small and Medium Industry Development

SMIDA Small and Medium Industries Development Agency

SMIEIS Small and Medium Industries Equity Investment Scheme

SON Standards Organisation of Nigeria

SPDC Shell Petroleum Development Company of Nigeria Limited

SSE Small Scale Enterprises

STEP Small and Training Entrepreneurship Programme

UNDP United Nations Development Programme

USAID United States Agency for International Development

CHAPTER ONE

1.0 OVERVEW OF NIGERIA ECONOMY

1.1 HISTORICAL PATTERNS

The primary sources of growth of the Nigerian economy prior to the 1960s have traditionally been agriculture, industry and services. During that era, cash crops were introduced, infrastructure was developed, and a market for consumer goods began to emerge. At independence in 1960, agriculture was the dominant sector, accounting for well over 50 per cent of Gross Domestic Product (GDP) and was the main source of export earnings and public revenue, with the agricultural marketing boards playing a leading role. By the early 1970s, oil emerged as the leading variable in the national economic scene. Since then, its dominance and overwhelming importance has left Nigeria operating an almost mono-culture economy with oil accounting for 78 per cent of federal government revenue, more than 95 per cent of export earnings and about 11 per cent of GDP in 2000.

This notwithstanding, agriculture-including livestock, forestry and fishing-is still the principal activity of the majority of Nigerians, constituting about 40 per cent of GDP. This shows that Nigeria actually operates a dual economy where a modern segment that is heavily dependent on crude oil earnings dominates a traditional agricultural and trading segment. Between 1986 and 1993 Nigeria implemented economic reforms under the well-intended but badly executed Structural Adjustment Programme. The outcome left the economy prostrate, while the next half-decade (1994-1999) witnessed unprecedented corruption and international isolation that further crippled the economy. Unfortunately, after twenty years under a democratic experiment, the economy is still groaning under the strains of these past events.

1.2 MACROECONOMIC PERFORMANCE

In the past twenty years, the Federal Government has been under immense pressure to deliver on its promise to revive an economy that has been stagnant, and to raise the standard of living of the people significantly. This has however, been a difficult task despite recording marginal improvements in certain sectors and achieving some measure of stability in some macroeconomic aggregates. GDP per capita has been on the decline, in the last fiscal year that ended December 2019, it was estimated at US$316 compared to US$344 in 2016 and far below its peak of over US$I,000 achieved in the 1980s. Over 66 per cent of the population live below the poverty line (less than US$I per day), and social and economic conditions have worsened despite the country's abundant human and natural resources. Economic growth of 3.0 per cent in 2010 was not only below its 2000 level of 3.8 per cent but grossly short of the government's target of 5.0 per cent. Average inflation rate rose to 19.0 per cent in 2010 from 6.6 per cent when the present administration took over in 2015. In addition, the value of the Naira depreciated against the US dollar, officially exchanging on the average from N100 to US$I in 2006 to N 150 in 2010 and now in 2020 is N 386.

This virtually wiped out any economic gains considering the highly import-dependent nature of the Nigerian economy. Similarly, the average parallel market and bureau de change rates

depreciated from N185 to US$I in 2006 to N235 in 2010. To get an overview of the performance of the Nigerian economy, some selected economic indicators have been presented in Table I. Major macroeconomic indices indicate mixed economic performance, particularly in 2010. The continued expansionary fiscal operations of the Federal Government was a result of the monetisation of the excess crude oil receipts in 2006 and the proceeds from the GSM licenses, as well as the bank financing of fiscal deficits. This provided an environment that was largely not conducive for the conduct of monetary policy and resulted in large injections of liquidity into the system with money supply (Ml) increasing significantly by 62.2 per cent in 2006 and 19.9 per cent in 2010. Induced rapid monetary growth intensified inflationary pressures, which went from a low 0.9 per cent in June 2006 to a new high of 19 per cent by the end of 2010. This double-digit figure is in itself worrisome and could lead to instability in the macro-economy, which will adversely affect the foreign exchange market.

On the average, interest rates charged by banks in 2006 increased from their previous year's level, The maximum lending rate rose from 25.2 per cent in 2006 to 26.5 per cent in 2010, while prime-lending rate, on the other hand, fell from 20.6 per cent to 18.5 per cent during the period and Interest rates were influenced by the state of bank liquidity as well as policy actions aimed at addressing the problem of liquidity overhang.

Table 1: Selected indicators of Macroeconomic performance.

	2006	2007	2008	2009	2010	2011
Real GDP Growth (%)	3.38	3.16	2.36	2.80	3.80	3.00
GDP per capita (US$)	344	339	313	322	314	316
Growth in Money Supply (Ml)		18.2	20.5	18.0	62.2	19.9
Average Inflation Rate (%)	29.3	8.5		66	6.9	19.0
Balance of Payment (US$BN)	0.761	0.015	-2.873	-3537	3.090	0.459
Balance of payments (%) of GDP)	-1.9	0.0	-7.7	-9.7	8.0	1.3
External Reserves (US$ billion)	41	76	7.1	5.4	9.9	
Average Exchange Rate (N/$)	69.84	71.75	76.81	92.34	101.65	112.00
FG Deficit (-)/Surplus (+) (NBN)	+32. 0	-5.0		-285.1	-103.8	+51.1
External Debt (% of GDP)	90.1	80.8	91.1	83.8	82.8	78.6

Net FDI (US$BN)	1.59	1.48	0.94	0.91	1.06	1.92
Maximum Lending Rate (%)	20.9	20s	22.6	30.0	25.2	26.5
Prime Lending Rate (%)	20.2	18.3	20.2	25.8	20.6	18.5

Sources: (a) Central Bank of Nigeria Annual Reports June 2011

CBN, Monetary Policy Guidelines for 2012/2013, (c) BGL Financial Monitor, (d) NESC Economic Indicators, (e) EIU Country Forecast, 2011.

On the external sector, external reserves rose from US$9.9 billion in 2000 to US$10.4 billion by November 2010. This was equivalent to 9.5 months of imports. In addition, following the increase in oil receipts in 2006, the balance of payments declined from surplus of US$3.1 billion in 2006 to US$OS billion in 2010. As a percentage of GDP, it decline from 8.0 to 1.3 in 2010.

1.3 MACROECONOMIC OUTLOOK

The prospect for economic growth and development looks despite the current problems facing the country. Successful elections in 2013 and continued democracy will boost the confidence of the international community in Nigeria's future development efforts, and attract investment, not only in the traditional sectors, but also in small and medium industries where vast potentials exist. The Federal Government, in collaboration with multilateral institutions and non-governmental organisation, is committed to re-establishing the Nigerian State as an instrument for development rather than one of exploitation and suppression.

The challenge is to defragment the economy such that individuals are able to raise productive investment to a level necessary to provide for a rise of national income substantially in excess of the rise in population.

In light of this, the Federal Government embarked on a two-pronged medium-term and short-term economic policy with the objective to:

i. Revive and induce growth in the economy.
ii. Raise significantly the standard of living of Nigerians and put people back to work and

iii. Project Nigeria as the hub of the West African community.

The plan to achieve these is centred around stabilising the market through responsive exchange rates, keeping inflation within single digit levels and reducing total tax burden to a

30 per cent of corporate/ personal incomes food supply, providing incentives for local and foreign investors, institutional rationalisation, renewed focus on education and human capacity development, etc. The government therefore set its economic targets for 2006 as indicated in Table II.

Given the historical background of the Nigerian economy, it is unlikely that an economic growth of 10 per cent set by 2006 will be achieved. With the development in the oil and gas sector and with agriculture's strong showing, we may witness a marginal improvement of about 3.5 per cent GDP growth rate by the target year (EIU estimates 3.9 per cent). However, the real GDP growth rate may not translate to a significant increase in GDP per capita while the population is growing at 2.8 per cent per annum.

Table 11: Federal Government Economic Targets for 2013

Target	2002	2006
Real GDP Growth (%)	2.36	10.00
Inflation Rate (%)	6.6	Single
Gainfully Employed Labour Force (%)	50	70
Population Access to Safe Water	30	50
Household Access to Electricity	30	50

1.4 PURPOSE OF STUDY

The objectives behind this project are as follows:

i Appreciate the need for self-employment through enterprises creation.

ii. Recognise the complex nature of business management.

iii.Alleviate the suffering of our teaming populace through employment generation and skill acquisition.

iv.Focus the attention of the Federal Government on key facilities and development areas that need improvement for the benefits of Nigeria.

v.Achieve a common goal and secure economic benefits.

1.5 SIGNIFICANCE OF THE STUDY

This project is aimed at charting out the acquisition of skills and knowledge of writing simple business plans, the acquisition of skills in production and packaging of some products of wide domestic application and to ensure that the impact of managing a business by a successful manager does not have considerable implications or consequences to their health and psychological well-being.

1.6 SCOPE OF THE STUDY

The research shall touch the area of skill acquisition on micro and small-scale businesses viable process technologies and the problems and prospects of the micro and small-scale businesses to the economy of South Western Nigeria.

It will also have a wider scope in various micro and small-scale businesses operating within the region's economy such as:

Poultry

Snail farming

Sheep and goat

Cassava processing

Rental services

Soap production

Fruit juice processing

Pomade production

Candle production

1.7 SOURCE OF DATA

The data used for this project is compiled through internet research, various papers presented at seminars, budgets of governments of the states of south western Nigeria and also through statistical bulletin/facts sheets of the south west states of Nigeria governments.

1.8 HISTORICAL PATTERNS AND TRENDS

Right from independence, Nigeria has had series of studies, seminars and workshops, each of which extolled the excellence, importance and need to facilitate the establishment and sustenance of MSE. All the National 4-years Development Plans from the 1962-68 to 1981-85, have each laid strong emphasis on strategies of government-led industrialisation hinged on import substitution.

With the initiation of the Structural Adjustment Program (SAP) in 1986, the state downgraded its active involvement in industrialisation by a process of commercialisation and privatisation. Emphasis therefore shifted from large-scale industries to micro, small and medium scale industries, which have viable potentials for developing domestic linkages for rapid and sustainable industrial development. Greater leanings were placed on the Organised Private Sector to spearhead subsequent industrialisation programs. The sector was further actively encouraged by additional incentives. These incentives were directed at solving or at least alleviating the enormous problems encountered by industrialists in the country and

thereby afforded them greater leeway towards increasing their contribution to the national economy.

Today, MSE represent about 70 per cent of the industrial sector in terms of number of business enterprise; however they contribute a meagre 1 per cent of GDP. This is insignificant when compared to countries like Indonesia, Thailand and India where MSE contribute almost 40 per cent of GDP. Whilst MSE are an important part of the business landscape in any country, they are faced with significant challenges that compromise their ability to function and to contribute optimally to the economy.

CURRENT STATE OF THE SECTOR

To have an idea of how large the MS sector is in Nigeria, the Corporate Affairs Commission in Abuja Nigeria estimates that about 80 per cent of all Nigerian businesses in 2006 employed less than 50 people. Similarly, a study conducted by the International

Finance Corporation (IRC) during the same period estimated that 96 per cent of all businesses in Nigeria are MSE (compared to 53 per cent in USA and 65 per cent in the EU, with MSE in both places accounting for over 50 per cent of their respective country's GDP).

Realising that MSE hold the greatest prospects of growth for the Nigerian economy, to date, the following steps have been taken:

1. Merge all MS/Industry financing agencies comprising the Nigerian Bank of Industry (N-B.o,I) and other development banks into the one Agency- the Bank of Industry-to administer loan schemes to MSE at a lower than commercial rate of interest.

2. Set up a Micro and Small scale Industries Development Agency (MSIDA), an umbrella agency to coordinate the development of the MSE Sector.

3. Establish a National Credit Guarantee Scheme for MSE to facilitate access to credit without stringent collateral requirements.

Revive the Entrepreneurship Development Programme-

Furthermore, the government has mandated banks to set aside 10 per cent of their profits before tax for equity financing in MSE.

The mandatory 10 per cent has generated tremendous interest for the following reasons:

1. The value of funds that have been set aside by banks by the end of 2006 under the Micro and Small Scale Industries Equity Investment Scheme is in excess of N6 billion, and this is expected to rise to over N 10 billion and 15 billion by the end of 2022 and 2023 respectively.

2. Private sector initiatives have historically been more successful than government ones.

3. Banks will be more discerning in their choice of MSE they choose to finance and will also demand better professional management of the MSE and transparency in their finances.

To ensure an effective implementation of the MSE development programmes, including the rehabilitation and repositioning of the Industrial Development Centre (IDC) to play their expected role, the presidency has approved the sum of N784.2 million. In addition, the MSE sector was allocated N282 million or 0.7 per cent of the estimated capital expenditure in the 2012 budget.

WHO IS AN ENTREPRENEUR?

The Advanced Oxford English Dictionary 5th Edition defines enterprise in 3 ways:-

i. A project or an activity especially one that is difficult or requires efforts.

ii. The ability, imagination and desire to create or carry out new projects or activities

iii. Business activities developed and managed by individuals rather than the state.

Going by these simplified definitions, Entrepreneur are those who understand that there is a little different between obstacle and opportunity and able to turn both to their economic advantage.

Their willingness to seize the initiative sets them apart from their contemporaries.

Entrepreneurial discipline revolves around the survival needs of business enterprises, what does the enterprise have to do, to exist and to achieve? These are generally referred to as the "five survival objectives".

1 Organic organisations designed for joint performance and capable of perpetuating itself.

2. Conformity with the society and economy, business enterprise is a creature of society and economy and exist only as long as society and economy believe that, it does a job, useful and productive.

3. Specific purpose of business: Enterprise must have specific purpose of business of its contribution i.e. to supply economic good and service.

4. Changing economy and changing technology: To survive,

Every business must strive to innovate. Such innovation must be purposeful. It must reflect organisation action to bring about improvement in the ways, method and organisation of business, its technological areas of products and process.

5. Profitability: A minimum profitability, adequate risk to the risks assumed and created, is an absolute survival not only for the enterprise but also for society.

Sources: NACCIMA 2010, South West States of Nigeria.

1.11 CHARACTERISTICS OF AN ENTREPRENEUR

COMMITMENT:- To succeed in business, one must be committed, Putting business above almost everything else means total commitment- It also means that one wish to stay in business for a long time and willing to risk own money on the business.

MOTIVATION: Business is more likely to succeed if one is very keen to try his or her business idea since one wishes to become a boss and have personal business.

TAKING RISKS: These are no absolutely safe business ideas, one always run the risk of failing in business. It is important to note that an entrepreneur must be willing to take some risks, but reasonable risks. To be willing to take moderate risks is strength.

MAKING DECISION: Important decision has to be made in business making difficult decision could have serious consequences in important running of own business.

FAMILY SITUATION: Running business is lonely, will consume time hence it is important to have family's support. To have a supportive family is strength, otherwise it is a weakness.

FINANCIAL SITUATION: If one has personal fund to put into business and if it does not mean a catastrophe for personal finances, if the business fails, then it is strength. But if personal fund is not available, there are sources which include banks, government agencies, like the NDE, BoI etc. to borrow from.

Source:- LCCI- LAGOS -2009 and Ekiti, Ogun, Osun and Oyo States Chambers of Industry, Fact sheets, 2019, Nigeria.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents literature review of various researchers views which related to micro and small scale enterprises. It takes a broad look at the concept of MSE in South Western Nigeria. It highlights the importance of MSE in economic growth and development of South Western Nigeria.

2.2 The Concept of Micro and Small scale enterprises (MSE) have been generally acknowledged as the bedrock of the industrial development of South Western Nigeria. Apart from the numerous goods and services produced by MSE, they provide a veritable means of large scale employment, as they are usually labour intensive. They also provide training grounds, for entrepreneurs even as they generally rely on the use of raw materials from South West of Nigeria. If well managed, MSE can gradually transform into the giant organisations of tomorrow. These contributions thus explain why the South Western states of Nigeria governments and international agencies mobilise efforts towards the realisation of sustainable industrial growth and creation of mass employment through the rapid growth and development of micro and small enterprises (Nnanna, 2005).

This fact underscores the essence, importance and relevance of micro and small scale enterprises in the development of any given economy. The experiences of developed economies in relation to the roles played by MSE buttresses the fact that the relevance of MSE cannot be overemphasised especially among the Developing Countries (DCs) like Nigeria. In order to highlight the significance of MSE in relation to the growth and development of a given economy, MSE have been variously referred to as the "engine of growth" (Basil, 2005). This stems from the fact that countries that focused on the MSE sector and ensures its vibrancy have ended up succeeding in the significant reduction and its attendant enhancement in the quality and standard of living, reduction in crime rate, increase in per capita income as well as rapid growth of GDP. There is an agreement that if all stakeholders are to show strong commitment to the development of MSE, it follows that the economy must witness meaningful transformation and prosperity. A dynamic MSE is vital and imperative for the overall economic development of South Western Nigeria. Aside from providing opportunities for employment generation, MSE help to provide effective means of curtailing rural-urban migration and resource utilisation in South Western Nigeria, by largely producing products for use in large–scale organisations. MSE contribute to the strengthening of industrial inter-linkages and integration. A vibrant, efficient and effective MSE sub-sector generates many resultant benefits for stakeholders, employees, customers, employers as well as the entire economy of the South Western Nigeria.

Customers on their part tend to enjoy personalised service and attention because of the keen competition, focus and innovation, which characterise the operations of MSE.

MSE entrepreneurs on the other hand are either motivated by competition to learn and broaden their knowledge and skills in order to meet up with the challenges of maintaining good relationship with their financiers, auditors, regulators and even their competitors. They achieve this by belonging to and participating actively in the activities of Ekiti, Ondo, Osun ,Oyo, Ogun and Lagos chambers of commerce, trade groups, various foray, exhibitions, etc. where ideas, new concepts and knowledge are shared and discussed. The bottom line of all these is that the relevant MSE would remain efficient and profitable and hence contribute to the growth and development of the entire economy of South Western Nigeria. MSE have no doubt been indeed recognised as the main engine of economic growth and development, a major variable for promoting private sector and development. South West states of Nigeria governments, development agencies and experts as well as multilateral institutions do appreciate this fact such that they positively respond to any occasion and situations, which could permit their contributing to or creating opportunities for promoting MSE.

One major drawback in South Western Nigeria's governments' quest for industrial development over the past years has been the absence of a strong, vibrant and virile MSE sub-sector. Given a population of about 60 million people, vast productive and arable land, variety of mineral deposits, as well as abundant human and other natural resources, South Western Nigeria should have been a haven for Micro and Small Enterprises with maximum returns as it also has the location advantage as a marketing hub for Nigeria.

A number of reasons have been advanced as to why the expectations from the MSE have not been met. If anything, the performance of the MSE in South Western Nigeria has been rather dismal. In developing countries like Nigeria, there is the dire need to create an enabling environment for the nurturing and development of MSE so that they could play the crucial roles expected of them in economic transformation of the South Western Nigeria. The key roles of MSE include mobilisation of domestic savings for investment, significant contribution to Gross Domestic Product (GDP) and Gross National Income (GNI), harnessing of local raw materials, employment creation, poverty reduction and alleviation, enhancement in standard of living, increase in per capita income, skills acquisition, advancement in technology and expert growth and diversification. This can however only be realised with the existence of a responsive and vibrant industrial policy and involving South Western states of Nigeria governments overall economic development strategies which will involve all stakeholders and ensure the effective and efficient harnessing, coordination and utilisation of economic resources.

2.3 Role of the MSE Sub-Sector in the South Western Nigeria Economy

A review of historical experience of economic growth and development in developed countries show positive impact and contributions of MSE in industrial developments, technological innovations and export promotion. Though it is difficult to obtain exact and comparable figures on MSE for developing countries, it is obvious that the role of MSE is equally important in the economies of developing and developed countries alike. Small domestic markets, inadequate infrastructure, high transportation costs, shortage of capital and foreign exchange, weak currency, lack of access to technology and foreign markets as well as

surplus low quality labour are the general characteristics of developing countries and hence are susceptible to being trapped in a technology divide and investment gap. Foreign direct investment and the acquisition of technology are indispensable elements for economic transformation these countries require to achieve sustainable economic growth and poverty alleviation. Although MSE in developing countries and countries with economies in transition are regarded as the engine of economic growth, they face enormous challenges in attracting investors and accessing modern technology. Other barriers which MSE in developing economies face include the lack of effective investment and technology promotion policies, inappropriate legal and regulatory frameworks, inadequate capabilities of investment promotion and technology support institutions and the lack of access to potential investors and sources of new technology, limited technical and managerial skills, difficulty in obtaining financing and insufficient knowledge about laws and regulations. Others are inability to achieve economies of scale through integration or linkages, problems of size and relative isolation such as the difficulties in entering into national and international value chains driven by large corporations.

In South Western Nigeria, the role of MSE is even more important, since MSE often offer the only realistic prospects for creating additional employment and thus reducing poverty and enhancing the quality of lives. A healthy MSE sub-sector is a sine qua non for inclusive and socially sustainable development even though institutions that provide support services where available are often limited in capacity and coverage in developing economies like Nigeria.

2.4 Importance of the MSE Sub-Sector in the South Western Nigerian Economy. The MSE operating in Nigeria are not shielded or immune from the typical problems and constraints of MSE in other developed countries. Almost every country assists her MSE largely because of the crucial role they play in the economic growth and development. The assistance is usually in the form of facilities and supportive services rather than on protection and subsidies. Other services provided by some governments include commercial finance, venture capital, information, training and retraining, Research and Development (R&D) support, infrastructure and tax incentives. Some of these facilities are provided through local governments and industry associations at times with the involvement of non-governmental organisations (NGOs) (Basil, 2005). In recognition of the crucial roles played by MSE with respect to economic growth and development, succeeding governments in states of South Western Nigeria had various initiatives aimed at promoting the cause of MSE in the region. The most tangible among the different incentive packages that varied with almost every change in government leadership was the focus on enhancing the financial opportunities for the MSE. Some of the support institutions and opportunities created by the Nigerian government to enable MSE access funding in the past 35 years include (Basil, 2005):

1. Small Scale Industries Credit Scheme (SSICS) 1971

2. Nigerian Bank for Commerce and Industries (NBCI) 1973

3. Export Stimulation Loan (ESL) 1989

4. Nigerian Export Import Bank (NEXIM)

5. National Directorate of Employment (NDE)

6. Bank of Industry (BOI)

7. Small and Medium Enterprises Developing Agency of Nigeria (SMEDAN)

8. Credit Guarantee Scheme for SMEs

9. Industrial Development Co-ordinating Centre (IDDC)

10. Microfinance Banks

11. Nigerian Industrial Development Bank (NIDB) 1964

12. SME Apex Unit of Central Bank (1989)

13. National Economic Reconstruction Fund (NERFUND) 1989

14. Family Economic Advancement Programme (FEAP)

15. State Ministry of Industry SME Schemes

16. Small and Medium Industries Equity Investment Scheme (SMIEIS)

The above mentioned institutions were established to provide financial supports to MSE enterprise notwithstanding the sub-sector is yet to find its bearing in the murky waters of South Western Nigeria's business environment. These account for the Federal government's recent introduction of the last three support schemes i.e. BOI, SMEDAN and the Credit Guarantee Scheme, and the Bankers Committee's decision to institutionalise SMIEIS. It is expected that the Credit Guarantee Scheme would enhance and facilitate easy access to credits by the MSE while SMIEIS would boost access to equity financing while SMEDAN would provide other needed non-financial support and leverage for the MSE to thrive.

2.5 Characteristics of MSE in South Western Nigeria a major characteristic of South Western Nigeria's MSE relates to ownership structure or base, which largely revolves around a key man or family. Hence, a preponderance of the MSE is either sole proprietorships or partnerships. Even where the registration status is thus that of a limited liability company, the true ownership structure is that of a one-man, family or partnership business. Other common features of South Western Nigeria's MSE include the following among others (Basil, 2005):

. 1. Labour–intensive production processes

2. Concentration of management on the key man

3. Limited access to funds

4. Low entrepreneurial skills, inadequate educational or technical background

5. Lack of adequate financial record keeping

6. Poor Capital structure, i.e. low capitalisation

7. Poor management of financial resources and inability to distinguish between personal and business finance

8. High cost of productions.

9. High cost of funds

10. High mortality rate especially within their first two years

11. Over-dependence on imported raw materials

12. Poor inter and intra-sectorial linkages

13. Poor managerial skills.

14. Poor product quality output

15 Absences of Research and Development

16 Little or no training and development for their staff

17 Poor documentations of policy, strategy, financials, plans, info, systems

18 Out-dated and inefficient technology used of.

19 Lack of access to international market

20. Lack of succession plan

21 Poor access to vital information

2.6 Prospects of MSE in South Western Nigeria

The identified problems of MSE notwithstanding their enormous depth, breadth and intensity, it is only fair and proper to acknowledge the fact that the South Western Nigerian states governments did not fold its arms to watch the MSE wallow in the gamut of problems. Doubtless, the South Western states of Nigerian governments fully appreciate the opportunities MSE create for employment, their contributions to economic growth and development as well as the constraints and difficulties in their operating environment. These explain why in the past fifty- five years or so, the Federal government has established various support institutions and relief measures specially structured to render assistance to MSE and minimise the constraints which MSE typically faced. The support institutions established by the Nigerian government range from specialised banks designed to support the funding of MSE.

It is also important to state that government policies behind the establishment and operations of the MSE support institutions had not been effective. From all indications, as well as observed lapses inherent in them, the policies were either defective in their formulation and conceptualisation, or were not religiously implemented. A study by Basil (2005) also revealed that one of the reasons why the policies were not effective could be due to the fact

that the proprietors of the MSE were neither consulted nor involved in the formulations of the policies, which were expected to solve their problems; hence, there were apparent misplacements of priorities and emphases. All the stakeholders in the MSE sub-sector should be involved in policy formulations and implementation for policies to be effective and yield the desired results. The comfort is that the governments (local, state and federal) are neither relenting nor giving up in their bid to revamp the fortunes of MSE so as to enable them play the expected role in the South Western Nigeria's economic growth and development. This is evidenced by the government's recent establishment of as well as the mandate given to the Bank of Industry (BOI) and the Micro and Small Enterprises Development Agency of Nigeria, the facilitation of the Bankers" Committee's institutionalisation of the Micro and Small Industries Equity Investment Scheme , the federal government's drive and focus on realising the objective of NEPAD, the government's endorsement and support of multilateral agencies and loans, and the government's backing of international development finance facilities such as the European Investment Bank (EIB) facilities and the likes. Other indications relate to the government's programmes aimed at poverty alleviation and providing succour to those whose jobs could be affected by the current government reforms as well as the proposed establishment of a Credit Guarantee Scheme for loans to MSE. Aside from the government's concerted efforts towards revamping to vibrancy of MSE sub-sector, the private sector as well as professional groups and associations are also not relenting in their own key contributions to the development of the MSE sub-sector. The capital market driven by the Nigerian Stock Exchange (NSE) and Securities and Exchange Commission (SEC) have been not only expanding its facilities but also working to make it cost effective for MSE to access funding from the market. Professional groups and associations such as the various Ekiti, Ondo, Osun, Oyo,Ogun and Lagos Chambers of Commerce, Nigerian Association of Small and Medium Enterprises (NASME), Nigerian Association of Small Scale Industries (NASSI) and the likes are vigorously pursuing and pushing the governments for improved welfare and a better enabling business environment (Basil, 2005).

Given the current awareness of the Nigerian investing public as well as the depth of the Nigerian capital market, it is expected that many MSE would approach the capital market to raise funds in the future. Also, there is a reawakening and new impetus towards the establishment of venture capital companies primarily targeted at developing MSE. Even some financial institutions are exploring this option towards finding a sure window through which they would invest the SMIEIS funds, which they have reserved since the commencement of the scheme. The on-going reforms being undertaken by the Nigerian government ministries of Agriculture and Trade & Industries, inter-ministerial departments, agencies and government departments and the realities of the global economic meltdown are bound to results to unemployment. Certainly one sub-sector, which many of the affected unemployed persons may want to venture into would be the MSE sub sector. Thus, this scenario would make it compelling for the South Western states of Nigeria governments not to ignore MSE sub sector as one of the most important sub-sectors of its economy.

2.7 Problems and Challenges of MSE in South Western Nigeria

The fact that MSE have not made the desired impact in the South Western Nigerian economy in spite of all the efforts of succeeding governments gives a cause for concern. It underscores the belief that there exists fundamental problems, which confront MSE but which hitherto have either not been addressed at all or have not been wholesomely tackled. Most MSE die within their first five/seven years of existence (Basil, 2005). Another smaller percentage goes into extinction between seventh and tenth year thus only about five to ten per cent of young companies survive, thrive and grow to maturity (Basil, 2005). A review of literature reveals indeed the following plethora of problems, which are enormous, fundamental and far-reaching (Basil, 2005):

1. Inadequate, inefficient, and at times, non-functional infrastructural facilities, which tend to escalate costs of operation as MSE are forced to resort to private provisioning of utilities such as road, water, electricity, transportation, communication, etc.

2. Bureaucratic bottlenecks and inefficiency in the administration of incentives and support facilities provided by the government.

3. Lack of easy access to funding/credits.

4. Absence of long-term finance to fund capital assets and equipment under project finance for MSE

5. The lack of scientific and technological knowledge and know-how.

6. Lack of initiative and administrative framework or linkage to support and sustain MSE development, which to a large extent, is also a reflection of poor technological capability or intellectual resource

7. Discrimination from banks, which are averse to the risk of lending to SME especially start-ups

8. High cost of packaging appropriate business proposals

9. Uneven competition arising from import tariffs, which at times favour imported finished products

10. Lack of access to appropriate technology as well as near absence of research and development

11. High dependence on imported raw materials with the attendant high foreign exchange cost and scarcity at times

12. Weak demand for products, arising from low and dwindling consumer purchasing power aggravated by lack of patronage of locally produced goods by the general-public as well as those in authority.

13. Unfair trade practices characterised by the dumping and importation of substandard goods by unscrupulous businessmen. This situation is currently being aggravated by the

effect of globalisation and trade liberalization, which make it difficult for MSE to compete even in local/home markets.

14. Weakness in organisation, marketing, information-usage, processing and retrieval, personnel management, accounting records and processing, etc. arising from the dearth of such skills in most MSE due to inadequate educational and technical background on the part of the MSE promoters and their staff.

15. High incidence of multiplicity of regulatory agencies, taxes and levies that result in high cost of doing business and discourage entrepreneurs. This is due to the absence of a harmonized and gazetted tax regime, which would enable manufacturers to build in recognized and approved levies and taxes payable.

16. Lack of appropriate and adequate managerial and entrepreneurial skills with the attendant lack of strategic plan, business plan, succession plan, adequate organizational set-up, transparent operational system, etc. on the part of many founders and managers of MSE in Nigeria. As fallout of this, many of the MSE promoters purchase obsolete and inefficient equipment thereby setting the stage ab initio for lower level productivity as well as substandard product quality with dire repercussions on product output and market penetration and acceptance.

17. Lack of suitable training and leadership development. In spite of the fact that training institutions abound in Nigeria, they rarely address the relevant needs of MSE especially in the areas of Accounting, Marketing, Information Technology, Technological processes and development, International trade, Administration and management of Small and Medium Enterprises. Essentially, MSE are left most often on their own to eke out success amidst the avalanche of operational difficulties inherent in the Nigerian environment as well as the operational shortcomings, which characterize institutions set up to facilitate SME businesses.

18. Widespread corruption and harassment of MSE by some agencies of government over unauthorised levies and charges

2.8 The Significance of MSE Access to Finance for Nigeria's Development

If Nigeria is to attain Vision 2030 and meet the Millennium Development Goals (MDGs), it must make a concerted effort to improve access to finance. With a population of 200 million people, 55% of which are living below the poverty line (NLSS, 2014), Nigeria is not on track to meet the first Millennium Development Goal (MDG) of halving poverty. Although strides have been made in improving macroeconomic management and business environment over the past few years, Nigeria still faces several challenges, among which are poor infrastructures, low education in certain part of the country and weak local/state/ federal governance (National Bureau of Statistics, 2015).

CHAPTER THREE

AN OVERVIEW OF MICRO AND SMALL SCALE ENTERPRISES

3.1 INTRODUCTION

Micro and Small Scale Enterprises (MSE) have played important roles in the development process in most of the developed economies, and proved to be one of the most viable sectors with economic growth potential. The successes recorded by these countries were because of serious consideration of the future rewards from sustained investment in this sector. Due to their size and scope of operations, these enterprises require relatively small capital investment to start thereby offering a relatively high labour-to-capital ratio. They also demand low technical and managerial skills, which are readily available within the society. The extent to which the opportunities offered by MSE are exploited and their contribution maximized in any economy depends on the enabling environment created through the provision of requisite infrastructural facilities. These include roads, telecommunications, power; ports etc. and the introduction and pursuit of policies such as concessionary financing that encourage and strengthen the growth of MSE.

MSE have such a crucial role to play in the development of an economy that they cannot be ignored. In fact, MSE development should form one of the country's development objectives. They can serve as sources of inputs for the multinationals thereby replacing existing foreign sources. They are also training grounds for local skills and entrepreneurs, and could become channels for mobilising local savings, ensuring a more equitable distribution of income and reducing the migration of manpower from the rural to the urban areas. Across the world, MSs are crucial for economic growth, poverty alleviation, wealth creation and the promotion of more pluralistic societies.

3.2 TYPES OF MICRO AND SMALL SCALE ENTERPRISES

MSE are variously defined in Nigeria, as in other economies, on the basis of one or all of the following:

a. The size or amount of investment in assets: excluding real estate.

b. Their total annual turnover, and

c. The number of employees.

The classification of business, as 'micro’ and 'small' enterprises naturally varies from one country/economy to another, and from one period to another in the same economy. In Nigeria, the National Council of Industry, under the Federal Ministry of Industries, periodically revises the classification of MSE.

Other institutions, such as the Central Bank of Nigeria and the Nigerian Association of Small-Scale Industries (NASSI), adopt classifications that vary from those of the Federal Ministry of Industries. There is however, greater concurrence of opinion when it comes to defining MSE in terms of assets' values than on any other basis. This is because in case of an

economic downturn, the impact on turnover and the number of people employed is greater than the impact on assets' values. For instance, during a depression, there is a tendency for turnover to fall substantially and the number of employees to drop, but assets values may remain unchanged.

From Table IV below, MSE are divided into Small-Scale (SSE) and Micro Enterprises (ME). The Federal Ministry of Industries defines a micro scale enterprise as any company with operating assets less than N25 million and employing less than 50 persons. A small-scale enterprise, on the hand, is one that has total assets less than N50 million, with less than 100 employees. Annual turnover is not considered in its definition of an MS. The National Economic Reconstruction Fund (NERFUND) defines a MSE as one whose total assets is less than N10 million, but made no reference either to its annual turnover or the number of employees. These and other definitions of NASSI, the National Association of Small and Medium Enterprises (NASME), the Central Bank of Nigeria and other institutions are indicated in Table V:

Table IV: Definition of MSE by Nigerian institutions

	Asset	Value	N	Annual	Turnover	No		Of	
Institution	SSE	MSE	SE	SS	MSE	SE	SS	MSE	
Federal. Ministry of Industries.		< 50	n.a	n.a	n.a	n.a	> 30	< 10	< 10
Central Bank of Nigeria	< 15			< 15	< 1	n.a	< 10	< 50	n.a
NERFUND	n.a		n.a	n.a	n.a	n.a		n.a	n.a
NASSI	n.a			n.a		n.a		3	n.a
NASMB				< 50	< 100	< 10		< 50	

For ease of and in order to cover all classes of MSE, this report will adopt the NASME definition. In addition to these definitions, the MSE sector can also be categorised in terms of cluster classifications as summarised in Table V.

Table V: MSE Cluster Classification

	Informal clusters	Organized clusters	Innovative clusters
Size of firms	Micro	Small- scale	Medium scale
Skills	Low	Medium	High
Technical	None	Low	Medium to high
Innovation	Little	Medium	Medium
Competition	High	High	Medium to high
Products	Retail, arts, crafts, and textile,	Manufacturing and chemicals	Telecoms, specialised IT
	Services e.g. salons, tailoring etc.	Pharmaceuticals, mining, organised retails	Retail service restaurants and entertainment
Markets	Local	Local, National and West Africa	Local and national
Links with consulting organisations and	None	Limited: in-house technical training, accounting and	Extensive

support institutions		some routine functions e.g. legal, management and Technical consultancy	
Characteristics	Uneducated but dynamic Sole ownership.	Have technical competence,	Undertake technical training.
		Engage in training and invest in apprenticeship system. Basic education at the very least-high school leaving certificate or trade/ technical certificate	Upgrading design in adaptations to response market. Highly educated often with university degree or a higher education.

3.3.0 BUSINESS AND MARKETING PLAN

3.2.3.1 BUSINESS PLAN

Business plan is a document that covers all important aspects to be considered before starting a business. It is a guide to follow so as not to leave out or overlook anything when preparing for new business. It gives an outline of the business idea, it contains the most important

information from the rest of the business plan to complete all other parts of the business plan before the executive summary report. It is important that the summary is clearly worked out and looks tidy because it is the first impression anyone who reads it will get of once business plan.

3.32 BUSNESS IDEA/GENERATION

Every business comes out of an idea. Businesses are started by men and women who see that people want to buy a particular product or service. Therefore, a business idea is a short and precise description of the basic operation of the business. A business idea/ generation will contain the following:

a. What product or service the business will sell?
b. What is the business going to sell to?
c. How is the business going to sell its product or service
d. Which need does the business will fulfil for the customer?

3.33 MARKETING PLAN

Marketing is an activity performs to find out who are the customer, their needs and want. It is of how to satisfying them while making profit by providing the products or services they need.

a. Setting prices that they are willing to pay.
b. Getting the product or services to them
c. Informing and attracting them to buy own product or service.

Marketing is an important part of starting and running a business. It does not matter how good the product or service is, if it does not market well, no one will buy it.

3.4 MARKETING RESEARCH

According to American marketing Association, marketing research can be refer to as the systematic gathering, recording and analysing of data about problems relating to marketing of goods and service. Here are some examples of how facts and figures about customers and competitors can be reveal.

a. Talk to potential customers.
b. Ask them for example what products or services they want to buy
c. What they think about his competitors.
e. Study business's competitors-find out about their products and service for example, quality and design. What prices they charge how they attract customer to buy.
f. Ask suppliers and business friends-which goods sell well in their business.

g. Read newspaper, trade journal, business magazine to get information and ideas on new products or services.

3.5 STAFF RECRUITMENT

Staff recruitment involves the employment of qualified personnel to man the business post. Before the recruitment takes place, necessary skills needed for the business must have been decided and based on this decision, the type of people you are looking for shall be provided.

Four steps to determine what staff needed for the business are:-

1. Starting from business idea, list the task that will have to be performed in the business.

2. Decide which tasks you will have time or skill to perform personally.

3. Determine which skills, experience and other requirements need in the staff for their task.

4. Decide how many employees are needed to perform such task.

3.6 .0 FINANCIAL PLANNING AND RECORD KEEPING

3.6.1 FINANCIAL

The existence of business enterprise for the first month may attract no profit because it takes some time before money from sales starts to come in. During this time, the business is very vulnerable and must keep a close eye on the financial situation.

Business can run with a loss for a while because one can use the working capital from his start-up capital to pay for cost in the beginning. But when the start-up capital is finished, the business must have higher sales than costs, otherwise it will run out of cash.

3.6.2 PLANNING

Planning takes places before the commencement of the business, one need to plan for profit and cash flow, one should follow the sales and costs as well as one cash flow closely to make sure that everything is going as planned. Any contrary outcome needs immediate solution to the problem.

It is important to make:

1. A sales and cost plan.

2. A cash flow plan.

3. Compare records with both plans every month

4. Take action if anything is wrong.

3.6.3 RECORD KEEPING

To keep business records means to write down, how much money the business receives, how much money the business pays out. The right type of record-keeping systems used in the right way is very useful for the business and will help the business to increase its profits, Because of the sizes of the business, which is small, the single-entry record keeping system is recommended.

3.2.7 REQUIRED START-UP CAPITAL

Start-up capital is the amount of money needed to establish a business. It is absolutely necessary to know how much start-up capital needed and how to get it before going ahead and start setting up business. Start-up capital is needed for capital investments and working capital.

A capital investment is meant for buying an asset for the business that has a high value and last for a long time. Some business can be started with a low level of investment while others must invest a lot before they can start. It is wise to try and keep the required investment to a minimum so as to reduce the risk of the business; capital on the other hand, involves the money needed to pay for other expenses. Since the business needs money from the start, it is included in the amount of start-up capital needed.

Working capital is needed for the following items :

Stock of raw materials

Finished good – stock of

Promotion

Wages

Rents

Insurance

Other costs

3.8 SOURCES OF START-UP CAPITAL

When an estimated amount on how much start-up capital needed for the establishment of business is known, the next step is where one get that capital from:

1. OWNER'S CAPITAL: The first source of funds is from the firm's owners. In individual proprietorship and partnership, one or more owners will put up joint stock company acquires funds from its owners by selling stocks, shares or equities to them. There are basically ownership certificates. The money goes to the company and the purchasers become owners of the firm, risking the loss of their money and gaining the right to share in the firm's profits.

2. COOPERATIVE ASSOCIATION: These consist of people having common objectives; people join together in the cooperative for both social and economic reasons. The economic

reasons have mainly to do with savings and lending to workers at reduced costs. The social reasons are based on the need to create a forum for interaction to achieve their common objectives. In most cooperatives societies the welfare of members and not profit making is the dominant motive.

3. ESUSU OR AJO: Is a Yoruba (People of south western Nigeria) term that means contributions made by a person to a local savings collector or Esusu/Ajo Banker. The contribution, which is usually a fixed amount, is made either on a daily or weekly basis depending on the agreement and financial strength

"Esusu" encourages one to cultivate the habit of saving. The money save can be collected back usually at the end of the month or at a monthly agreed time if and when the need arises.

4. BANK: These are the important source of loan money to people and business. Some banks have small business units that can go to when one apply for a loan. These units are used to dealing with small business and know the special condition that small businesses work under.

5. GOVERNMENT CREDIT SCHEMES: Many governments have introduced credit schemes for entrepreneurs who want to start small. These credit schemes are often run by government organisation or government department like the Directorate of Employment NDE.

CHAPTER FOUR

4.0 SECTOR PROSPECTS AND TRENDS

4.1 INTRODUCTION

In this chapter, we critically assess the nine essential micro and small scale business groups with heavy micro and small enterprise presence, which had been previously identified, comprehensive and detailed profiles of the specific business within these groups. The nine business groups or sub-system are:-

i. Snail farming
ii. Poultry
iii. Sheep and goat business
iv. Cassava business
v. Rental services.
vi. Soap production
vii. Fruit juice processing
viii. Production of pomade
ix. Candle making

These industry groups were identified and selected based on their growth potential, importance to the economy, and the apparent opportunities and benefits business investors can derive from investing in them. The following set of criteria provided the basis for selecting the industries to profile:

4.2 CRITERIA FOR SELECTING PROFILES

Multi-Dimensional Demand: Criteria for selecting MSE opportunities invariably involve multidimensional considerations.

The choice of investment is not simply a function of an ascertainable and socially desirable potential demand (local plus export) for the intended output. Though a basic requirement, this has to be related to changes in demand over time, with perhaps, quality changes pertaining to each phase, as is clearly the case in respect to textiles, garments, housing, or even foodstuffs.

Raw Materials: Criteria for the selection of preferred MSE opportunities at any given time also include consideration for the availability of relevant raw materials or intermediate inputs locally, or which can be feasibly imported from reasonably reliable sources at competitive costs. Reliability of raw material import sources would minimize the chances for prolonged and costly under-utilisation of enterprise capacity.

Appropriate Technology: The availability of a feasible and locally adaptable technology for attaining an acceptable minimum efficient scale of operation is another criterion in MSE selection. In view of this, the process that would be required should have a reasonably determine learning period during which inefficient sub-optimal scale of operations can be steadily improved and enlarged to the minimum efficient scale to reduce the misallocation of scarce capital and other resources.

Labour and Managerial Skills: Besides the availability of raw materials and appropriate technology, consideration must also be given to the availability of labour, skilled and unskilled, and the possibility of its mobility as would be necessary. Since most investments require long gestation, the potential for developing the requisite skill within a determinable time frame is also an important criterion.

Managerial Capability: Even when all material and capital resources as well as the relevant manpower are available, managerial capability is an essential ingredient for ensuring successful project implementation so that production, packaging, and distribution of goods can be carried through successfully.

Infrastructure: The availability of infrastructural facilities such as power, communications, water and transport, represents another important constraint on both the choice of MSE opportunities and the scale of operation of each respective enterprise. Production as well as distribution depends vitally on the availability as well as the reliability of physical infrastructure.

Development/ Linkage Impact: The linkage impact (both backward and forward linkages) is an important criterion for the choice of investment in any development framework. The linkage potential determines the development impact of the industry fostering additional production and/or tertiary sectors in the economy. This criterion clearly subsumes the availability of capital local or foreign equity or local capital, the availability of labour, i.e. the feasibility of the required factor proportions for the state or natural resources endowments.

Strategic Factors: Finally, some strictly "non-economic" criteria could in many instances be very important in MSE selection. These might include:

1 Strategic considerations, not perhaps, for national defence purposes such as the munitions industry, but involving basic or essential items or ingredients such as oil and fuel-sources, salt or water resource facilities.

2. Socio-religious considerations could also result in the exclusion of otherwise economically profitable production activities in some communities, even though an essential raw material is an abundant local natural resource.

Profile Selection by Weights: The various factors were accorded weights on the basis of a subjective evaluation of their relative importance in MS investment selection. The totality of the weights WI.....Wn+1 add up to 100 for convenience of exposition. The factors of demand, raw material and linkage potential were accorded equal weights in the scheme, while the

other criteria had slightly lower accorded equal weights in the scheme, while the other criteria had slightly lower but equal weight.

4.3 GUIDELINES FOR APPLYING CRITERIA

Level of Demand: For inclusion in the group of industrial activities to be profiled, the demand for the MSE Product should be at least about the output capacity of the minimum efficient plant scale of operation. Domestic demand will consist of estimates of the current level of demand, with adjustments for suppressed demand (as evidenced from a comparison of the price of import close domestic substitutes, and potential or future demand). Inclusion of the MS activity for new investment or for the expansion and improvement of existing capacity will depend on the demand criteria being met at significantly competitive product prices in relation to competitive imports. Export price of final product should, at a minimum, be equal to the domestic resource cost of production, including a margin for profit and transportation, and its marketability abroad will be determined by price/quality and other factors.

Availability of Raw Materials: Although MSE selection should be influenced by the availability of appropriate raw materials locally, MSE should not be automatically excluded because of the absence of local raw materials. Where other criteria such as labour, demand and other factors are met, access to reliable and raw material imports at competitive prices would satisfy the requirement for raw material availability.

Availability of Appropriate Technology: The profile chosen must have an appropriate technical process which can be adapted to local raw materials or feasible imports and which is economic and financially viable for the appropriate scale of plant which is reasonable from demand, factor supply and management considerations. Profiles will be prepared on the basis of tested and feasible technology for South Western Nigeria's circumstances.

Availability of Labour and Managerial Skills: This criterion applies strictly to local personnel, but in many cases, especially technical management, foreign sources can meet this criterion during the initial stages of the MSE. If the objective is to provide employment and utilise local raw materials, management and technical supervision could be met through introducing foreign personnel. However, skilled and unskilled labour is the final focus of this criterion.

Availability of infrastructure: The profile MSE would be selected with a consideration for the availability of social overhead capital facilities such as power, communications, water and transport, and physical facilities (grounds and buildings), since all these factors, except physical facilities are generally inadequate, grossly so in some respects, such as power.

Linkages to other industries: The overall development impact of an MSE within an industry is often determined by the linkages it has to other industries, either as user of their products or as supplier of inputs. The overall link with other producers and their suppliers constitutes one of the most important criteria for the selection of industries in any development framework. In defining and selecting the MSE with high linkage potential, a linkage "index" can be

defined in various ways, such as the proportion of total inputs that can be supplied from local resources or the proportion of the final product which represents immediate inputs into other industries.

Strategic industries: Strategic industries have also been explicitly identified but the inclusion of some of these industries will also depend on some additional criteria being met such as raw material availability, technological feasibility and labour/management requirements.

Weighting: In selecting MSE for the profile, the weights of the various sub-criteria under each criterion are added up to obtain the overall weight for each major criterion. The end result is used in selecting a number of industries that can be taken up in South Western Nigeria, that can cope with the state of infrastructure, provide linkage, and fall within a reasonable size.

4.40 SECTOR BRIEFS

4.41 SNAIL FARMING

INTRODUCTION:-

Snails are shell-bearing soft-bodied animals of high nutritional, medicinal, economic and social value. Snail is nutritious, because its meat is a good source of animal protein of high biological value; with the protein content ranging between 16-18%. The calcium and the iron contained in snail meat contribute in no small measure to the building of good bones especially in children. Medicinally, the low fat content and low cholesterol levels make snail meat ideal in the prevention of vascular diseases like Hypertension and eventual cardiac arrest. Economically, snail farming is a good source of income with little capital needed to set it up unlike poultry and fish farming socially, it does not constitute nuisance in terms of environmental pollution the droppings are firm, odourless and easily cleared and disposed of; and are practically noiseless unlike piggery.

The seasonal behaviour of snails as well as human activities such as deforestation and hunting are factors that necessarily call for intensive system of snail farming.

Breeds of snail (Types):

There are different breeds of snail in the world. The breeds vary in size, colour, and adaptability performance. In West African especially in South Western Nigeria, there are four economic edible land snails.

i. Archacliatina marginata (Yoruba: Igbin Apinü; Hausa: Kodi; Igbo: Ejuna). They are 2 types: Big black snail and big white snail.

Mature adult can weigh between 150-800g. The shell is wider a apex relative to others. It lays 4-13 eggs/clutch it is very common in South-Western Nigeria.

ii. Achatina achatina: (Yoruba: Ilako, Isan, Aginiso). This breed is mostly common in Republic of Benin, Liberia and other West African countries. It is also mostly common in

Southern and Eastern Nigeria. It requires more humid environment than their Archactatina marginata. It lays 100-300 eggs/cut.clutch but the sizes of the eggs are small compared to Archachatina marginata eggs. Mature adult can weigh 100-600g. The shell has narrow apex.

iii. Limicolaria SPP: (Yoruba: Esan, Ipere, Ikoto). It is the smallest specie of edible land snail. The shell may be black and white or completely white. The mature adult can weigh between 8-15g. It lays 25-50 eggs/ clutch. The eggs are very tiny i.e. 25 eggs/clutch weighed less 1 gram

iv. Achatina fulica: (Yoruba: Ilakose, Ipere). It is of small size. Mature adult can weigh between 20-35g. The fleshy part can be greyish or whitish. It is more adapted to tropical environmental condition than all other types.

BREEDING

Sources of foundation stock

1. Research institutes involved in small farming.
2. Directly from the forest.
3. Snail farmers.
4. Markets
5. Hawkers

STOCKING DENSITY:-

3-5 per square metre in intensive system..

REPRODUCTION:-

Snails are hermaphrodite but cross-fertilisation has to occur between two sexually mature snails. At 8-12 months A. Marginata will start to lay eggs. These eggs are laid in holes dug 5-15 cm deep in the soils. When conditions are favourable, the eggs hatch in 25-30 days. The hatchings will remain in the soil for 3-5 days, feed on their eggs shells and consequently emerge out of the soil.

In intensive farming system, wooden or metallic box is provided to serve as the hatchery. This has perforated bottom and then overlaid with humus or loamy soil. The lid will be of mosquito netting; the eggs are then put in dug holes of 3-5 cm and highly cover with soil. The eggs are watered daily to avoid desiccation.

In 10-12 months the hatchings become sexually mature for sale.

FEED AND FEEDING OF SNAILS:-

Introduction: Nutrition is the most important factor in snail growth, egg production and attainment of early maturity. Other factors include stocking rate, relative humidity and soil

moisture content. Snails feed mainly in the myth, at dusk or by day when there is rain or if there is dark cloud. Numerous teeth like projection called radula are present in the mouth which serves as the teeth. The digestive system is well developed. Snails feed on wide varieties of fresh, decayed, plants and animals which shall be discussed later.

For proper understanding of nutrition, it must be noted that all feeds whether of plant or animal origin is made up of nutrients (feed constituent that aids that the support of animal life). Feed is used in animal nutrition while food is used in human nutrition.

CLASSIFICATION OF THE FEEDS:-

1. Carbohydrate or Energy rich feed: It provides energy for growth, reproduction and other activities, it comprises:

a. Tuber crops: cocoyam, sweet potato, sweet cassava tuber, etc. The tubers can be given raw or cooked. They can also be dried and used in compounded ration.

b. Household waste: Solid pap (Eko), bread, cobbed rice, eba, etc(all are south Western Nigeria feeds for snail farming).

c. Peels: Peels of cocoyam, sweet potato, banana and plantain, etc.

d. By-products: Wheat offal, rice bran, maize bran and fresh maize chaff (Eeri) etc.

e. Grains: Ground maize, sorghum and millet etc.

2. Protein rich feed: Protein is obtained from animal or plant source. It is required for growth, maintenance of body part and egg production etc.

Sources: Soybean residue, fish meal, Meat meal, groundnut cake, poultry droppings, pawpaw leaf, soybean meal, palm kernel cake, cooked beans etc.

3. Mineral supplement: Snails need regular supply of calcium and phosphorus for shell formation, good health and maximum production. Minerals in the tissue aid digestion, absorption and transformation of feed to release energy.

Source: Calcium phosphate, calcium, bone meal, oyster shell, egg shell, snail shell etc.

Deficiency: malformation of the shell, the shell may turn white in colour.

4. Vitamins: They are essential for maintenance of health, growth and without them, the animal does not appear to be able to utilise to the full intake. The ultimate source is green plants through some minute quantity is supplied in natural feed.

Sources: pawpaw fruit (ripe and unripe), orange, garden egg, carrot, and mango.

5. Fat and oil: They are good sources of energy.

Sources: Palm fruits, Palm kernel meal and Palm oil, etc.

6. Water: Clean water should be provided always. Water should be given without restriction. Use of treated water should be avoided.

Compound rations: Compound rations can be fed to snails. The limitation to the use of compounded ration is that the nutrients requirements of different classes of snail have not been determined especially in the tropics.

Balanced ration: Balanced ration contains all the nutrients i.e. protein carbohydrate, minerals and vitamins etc. in right or adequate proportion in such a way that the nutrient needs of the particular animal are completely met. In snail rearing, 2 or more feeds could be combined and served together. Such combination should contain protein, energy, minerals and vitamins rich feeds. Such combination will improve the performances or growth of snail.

i. Cocoyam tuber + pawpaw leaf + calcium carbonate.

ii. Sweet potato + soybean residue + ground poultry egg shell + Pineapple.

WHEN TO FEED SNAIL:-

In order to make the feed fresh since snail is a nocturnal animal i.e. very active in the right than during the day; the feed could be given between 5-7p.m. after feed remnants have been removed.

FEED CONSUMPTION:-

Snails eat little quantity of feed compare to other conventional livestock such as poultry and sheep etc. since a wide variety of feeds is given to snail, it is very difficult to be specific on feed consumption.

FACTORS AFFECTING FEED CONSUMPTIONS:-

i. Environmental condition: Snails eat well when the relative humidity is high i.e. above 85% or when the temperature is low (25-280c); snails will not eat if the environment is too dry.

ii. Age of the snail: The young hatchings prefer leaves of pawpaw and cocoyam etc. to fruits and tubers.

iii. Moisture content of the feed: Feed consumption will be high if the feed is in wet form or having high moisture content.

iv. Quality of the feed: Fresh feed e.g. maize chaff (Eeri) should be given to snails. Stale, mouldy or fermented feed e.g. fermented maize chaff should not be given to snail.

Types of Intensive Housing System:

1. High fenced pen.
2. Low fenced pen
3. Cages (Hutch boxes)
4. Trench pen
5. Drums
6. Pots
7. Used motor vehicle tyres

Housing:

Fenced pens

A high fenced pen is like a room at least 2m high and a low fenced pen is 6m (2ft) high. The four walls may be made of any of the following materials mosquito netting, soil Crete blocks,

Planks, metal sheets and bamboo slabs.

Each room or compartment of the low fenced pen will be 2 metres long 1 meter wide and 0.6m high. The lid or roof should be made of mosquito netting reinforced by chicken wire mesh. The dimension of the high fenced pen is determined by the available space. The roof is made of mosquito netting.

The soil of the pens (high, low) should be loamy or humus and dug to a depth of 25 to 30cm. If the soil is sandy, clayey or acidic it should be replaced with loamy or humus soil

A gutter filled with water is made round the pens to prevent insects and other crawling animals from entering pens.

Dry leaves of plantain, banana, cocoa or kola-nuts are used to cover the soil before introducing the snails into the pens.

Cage or Hutch Box:

The cage is like a box and is also called hutch box. It may be single or multi-chambered. A single cage is a meter long, 1 meter wide and 60cm high. It could be made of wood or metal with a lid of wire or nylon mesh.

The floors perforated for excess water to drain out. The cage is put on 15-30cm high stands or stilts which are set in a container of water to prevent ants, termites and other crawling predators from attacking the snails. The cage is filled with loamy or humus soil to a depth of 25-30cm. Dry leaves of plantain, banana, cocoa or kola-nuts are used to cover the soil. Snails hide under the leaves during the day.

Trench Pen:

A French pen is constructed by digging a rectangular trench measuring 2 metres in length, I meter in breadth and 60cm deep in the ground. The pen may be single or with many compartments. The sides of the trench is built of sand Crete block; the lid of wire netting. Dry leaves, plantain or any plant not injurious to snails are used to cover the soil before introducing the snails.

The disadvantages of a trench pen are:

a. The pen is prone to flooding when there are heavy rains.
b. The temperature of the pen may be higher than the desired optimum temperature (25-280c).
c. Inconvenient working postures; as one needs to kneel down stoop or prostrate to care for the snails.

Drums and Pots:

Plastic or metallic drums or clay pots may be used to rear snails. The side and bottom of the drum or pot should be perforated for better aeration. The drum or pots is then filled with loamy or humus soil before putting in dry leaves of plantain, banana, cocoa or kolanuts. The snails are then put in the drum or pot, which is covered with wire mesh, weighed down to prevent the snails from escaping.

Old Motor Tyres:

Used tyres may be used to rear snails; a tier of three or four tyres is needed when placed on a bare floor while a tier of five tyres is needed on a concrete floor.

The tyres should be put on loamy or humus soil.

If it is on concrete floor, the first two tyres are filled with loamy or humus soil. Wire or nylon mesh is used to cover the 4th tyre mesh, Dry leaves of plantain, banana, cocoa or kolanuts are put on top of the soil before introducing the snails. However, it is necessary to drain water from the 'free' tyres frequently at least two times in a week. Tyres are good for rousing hatchlings but not a good breeding house.

Management Practices:

1. Visitors: visitors should be prevented from the snailery, if necessary, caution must be taken so as to guide against

Introduction of disease: microbes can be carried through the visitor's shoes.

b. Disturbance of the animals when resting or laying.

2. Proper inspection of things carried to snailery: The equipment used in the tools snailery must be cleaned i.e. brooms, rakes and hoes, etc. leave carried to the snailery should not contain pupa or larva of insects. Rat too can hide in the leaves

3. Wetting of the soil: During the dry season the soil must be properly wet to avoid desiccation which could lead to death. If the soil is too dry it will affect the performance of snail i.e. feeding and laying of egg, If the soil is dry up. In the rainy season wetting may not be necessary if there is constant rain.

4. Provision of shade: Tree plants like glyricidia, banana, or pawpaw can be planted to provide shade- In the div season, mats, and palm fronts could be tagged or attached to the snail pens.

5. Protection against soldier ants and termites:

a. Low and high fenced pens: Gutter should surround the pens. The gutter should be filed with water used engine oil or kerosene could be added to the water to avoid breeding of mosquito.

b. Cage: The legs of the cage should be placed on a container filled with water.

c. Tyres/drums/baskets: Used engine oil could be spread around the housing system or ash could be used too.

6. Insect infestation: If there is insect infestation, do not use chemicals, remove the snails and put them in another housing unit. The soil can be changed if the insects have entered the soil.

7. Feeding and water containers should be washed before serving the feed or water.

8. Health/ hygiene:

a. Daily inspection of the snails is very important for assessing their performance.

b. Cleanliness: The inside and outside of the snailery should be cleaned always. Bush should be cut. Equipment used should be properly washed and stored in a dry place.

9. Salt: Common salt should not be used in the snailery and care must be taken to avoid feed containing salt.

10. Spacing or stocking: One mature snail per square metre in extensive system while 4-5sqm mature snails are recommended in intensive system.

11. Handlings: Snail must be carefully handled.

12. Incorporation of calcium carbonate: The soil or feed must be supplemented with calcium carbonate or its sources i.e. oyster shell, bone meal.

13. Treated water i.e. chlorinated water or hard water should be avoided.

14. Turning of the soil: The soil must be turned once in a month.

15. Care for hatchlings/young ones: The hatchlings should be well taken care of. The hatchling must be put in a separate pen.

16. Pawpaw leaves or cocoyam leaves should be given.

17. Record keeping: Record of stock, feeds, performance and sale should be kept appropriately.

Limiting factors to successful snail farming:

i. Over stocking: For better performance, the snails should not be overstocked.

ii. Mucus and faeces: Pollution of the environment by mucus and faeces should be avoided by:

a. Washing the snails with water regularly.

b. Changing the soil in the pen every six months.

iii. Predators: The major predators are: rats, frogs, toads, snakes, lizards, soldier ants, termites etc.

iv. Aestivation: This is a state of dormancy that occurs when the relative humidity of the environment is very low(less than 75%). It is more common during the dry season. The snail seals itself into a white calcareous layer in order to prevent loss of water from the body.

v. Parasites: The major parasite of snails is a fly called Alludihella flavicornis and resembles the adult housefly. The best protection is to cover the pens with nylon mesh.

vi. Disease: Not much is known of the disease which attacks edible land snails.

4.42 POULTRY

INTRODUCTION:

The animal protein consumption of Nigerians as estimated by the food and Agricultural organisation was about 5g per person per day as against 60g per person per day.

Feed and Feeding:

Feed is important for several reasons, which include:

1. for growth and maintenance of a healthy body condition.

2. To promote the production of eggs and meat for human consumption.

The maintenance ration is the feed require just keeping the birds healthy while the production ration is for the productive aspects of birds, egg-laying and laying down of meat.

	Feed consumption per bird			Water consumption	
Age (weeks)	Light (g)	Heavy (g)	Per day (g)	At 10-240c litres/ 100 birds per day (Estimated)	Tropics litres/100 birds per day (Estimated)
1	68	88-130	7-11	1-5	4-10
2	113	127-190		4-6.5	8.12
3	136	191-340		4.5—8 5	9-15
4	200	286—440		5.5-10.0	11-18
5	260	317-560		6.5-11.5	12-20
6	290	354-650	35—45	7-12 5	13-22
7	315	368-820		8-13 o	14-25
8	360	409-960	40-60	8-13 5	15-29
9	405	418-1040		9-16	17-32
10	450	429-1050		10-18	18-30
11	467	1060		10-18.5	19-37
12	489	445-1070	45-70	10,5-19	20-38
13	511	446_1080		12-20	21 —40
14	551	447-1110		12-20 5	22-41
15	586	474-1190		17-21	23—42
16	626	508-1300	70-90	18-22	24-44
17	626	524-1300		19-23 5	25-45
18	693	540-1300	54-77	19.5-23.5	27-47

19	733	556-1300		19.5-23.5	27-47
20	778	570-1300	68-110	20	28-48
21					20-48
22					29-48

(Source: Oyo State, Ondo State, Ogun State and Ekiti State Ministry of Agriculture, Budgets, Ibadan, Akure, Abeokuta and Ado-Ekiti, Nigeria, 2019)

Higher value: for the male broiler or roast.

Feed Formulation:-

To ensure adequate growth without disease problems, it is essential to provide balanced diets for the poultry flock. This means diet containing correct ingredients in a correct proportion.

1. Carbohydrate e.g. maize, sorghum, rice bran (40-50%)

2. Proteins e.g. fish meal, blood meal, and soybean (10-29%)

3. Minerals

The role of animal protein is uniquely important specifically:

1. For chicks an approximate 40-50% carbohydrate, 20-25% protein and 1 – 2 % minerals in terms of vitamin-mineral supplement that may be desirable.

2. For growers, 40-60% carbohydrates, 15-20% proteins and

1-1 % vitamin-mineral is desirable.

3. For layers, 50-60% carbohydrates, 15-20% proteins and 11 720/0 vitamin-mineral supplement is adequate.

The formulation of feed in a multi-million poultry industry should involve the assistance of a competent animal scientist trained in the art. However in small-scale poultry business, good assistance could be provided by experienced feed millers in the locality,

Feeding Regime:

In broilers and cockerels, feed throughout the day i.e adtibitum- In layers-feed according to the provided feed requirement of table 1 and at 8.00am and 2.00pm daily.

Modern System of Poultry Production:

1. Brooding:

It is the provision of heat and other baby care to chicks between a day-old and 6-8 weeks.

a. Clean and disinfect the brooder house.

b. Fix the brooder guards.

c. Spread wood shaving (not saw dust) with the guards.

d. Place the heaters within the guard.

e. Place the feeders and drinkers containing feed and water at least 2 hours before the arrival of the chicks. Shut the window in the brooder pens to reduce ventilation and conserve heat within the house.

f. Put disinfectant in the foot bath at the entrance of the house.

g. Vaccinate the birds with intra-ocular (1/0) Newcastle vaccine.

h. Feed the birds with chick mash.

After the brooding process, you can have either of two systems:

1. Deep litter system.

2. Battery cage system.

Deep litter system:

Birds are kept in houses with floor over laid with litter so as to absorb moisture in the chicken's faeces. It is important to keep the litter dry, no spilling of water and litter drop in case of wetness and accidental spillage. The deep litter system is good in that you have complete control of the birds (being in confinement) and are protected from predators. However, the risk of infection is high since the feeding and drinking through is general and there is close contact between the birds and their faecal droppings.

Battery Cage Systems:

Here, the birds are kept in, because they have no contact with their faecal droppings, the risk of infection is low; there is also reduced bird induced crack of eggs. Labour is saved; there is easy detection of sick birds. However the equipment – cages, are expensive with high cost of maintaining them.

Farm Management Guidelines:

1. as far as possible, use day- To starter chicks instead of point-of-lay fowls or growers; because the chicks are less likely to bring disease along with them.

2. Obtain your chicks from reputable sources, based on your own experience or information. Middlemen are more likely to supply devitalised chicks lacking some of the compulsory vaccinations.

3. Keep or rear chicks in separate houses or apartment according to age groups.

4. Do not mix different species of poultry (e.g. fowls and turkeys, etc.) in the same house.

5. Provide adequate warmth (brooding) for chicks during cold rights and mornings.

6. Ensure proper ventilation, especially during hot parts of the day.

7 Do not overcrowd or else some chicks would not have feeding or drinking space. If on the other hand, you allow too much space, baby chicks tend to wonder away from feed, water and warmth and may never find their way back from the cold spots.

8. Clean out feed and water troughs daily and ensure that clean and cool (not cold) water is provided.

9. Use clean and dry litter, to top up wet spots.

10. Preferably, see that rats, lizards and free flying birds have no access into the poultry house, by using meshed-wire walls.

11. Sick individual birds especially if they constitute few isolated cases should be promptly removed from block ire culled and destroyed.

12. Call or consult the vet as soon as possible if you observe signs of disease outbreak.

13. Use mediations carefully and according to recommendation; for drugs are like opportunity and if misused, may never be effective at future times of need.

14. Follow vaccination programme faithfully. Book an appointment with the Vet - Doctors well ahead of time.

15. Do not bring birds from other places into your farm.

16. After having visited another farm, wash and disinfect your boots/shoes, hands and possibly change clothing's before entering into your own flocks.

17. Visitors may not be allowed to enter into the flock-house.

18. Do not sell sick or dead birds but hand them over to the Vet. Doctor, or destroy and bury them in deep pits.

19. Obtain and serve the right quality of feed at appropriate stage. Do not substitute broilers ration for poultry.

20. Develop personal interest in the flocks, watch or observe them at regular intervals so as to detect and understand their problems as early as possible.

21. At the end of each crop, bring out all the troughs for cleaning and disinfections, remove all the litter, clean, scrub and disinfect the floors and walls and allow the house or cage to rest before restocking. It would be incorrect to assume the average South Western Nigeria poultry farmer is ignorant of these basic principles. It is therefore unnecessary to be labour the topic.

Instead, we should dwell more on others aspects which appear, from all evidences to be less understood to the generality of farmers in South Western Nigeria i.e. hygiene.

Disease Prevention and Control

The importance of preventative measure:

It is very important to place greater emphasis on preventive measure rather than cure, considering the adage "prevention is better than cure". This is especially necessary considering the fact that:

1. There are a number of disease for which there is no completely satisfactory cured; either because the biology of the infective organisation is not well understood or because its therapeutic agent is not yet identified.

2. Also because some diseases are per acute (sudden death) in nature i.e. the damage is done before treatment could be sought.

3. Another reason is because of zoonotic diseases i.e. those diseases which are transferable to man. The risk of being infected is the reason for preventing their occurrence.

Even in treatable diseases, some have long convalescent period whereby there is loss of reproductive cycles, wastage of money in forms of feeding sick, debilitated animal and also the attendant social effect sickness can produce on the owner e.g. hypertension.

Preventive Measure:

1. Environmental control: Most veterinary environment efforts have been directed toward disinfection; pasture rotation (including moveable pens); manure disposal; housing improvements such as adequate shelter, ventilation and lighting. A principal advantage of disease control measure directed to the physical environment is that they often need not involve handling or doing anything at all to the affected population. This advantage is important for personal or public health.

2. Quarantine: This is the physical separation of sick animals from healthy ones, or the placing of a restraint on the movements of infected or items that they have contaminated.

3. Mass Immunization:-

The use of vaccines:

It is used to enhance the body's self-protection.

Establish a good contact with a veterinary doctor.

4. Selective slaughter: The deliberate killing of a minority of infected animals to protect the healthy majority. The limiting factor is the involvement of a great percentage of animals} how temporarily disruptive such an approach would have on the economy and whether replacement animals were available. Such considerations sometimes have suggested that a

high frequency of disease be reduced substantially by a mass immunization or some other measure and that the disease be stamped out by selective slaughter.

5. Depopulation: When a diagnostic test cannot be applied to an affected population in order to carry out selective slaughter, when the population is inaccessible for other measures, when an infection is spreading in a population too rapidly to cope with it otherwise, or when no other approach works, complete depopulation of an affected restricted population may be the only available procedure to protect the species at large.

6. Mass treatment: It is a good way to combat diseases occurring at a very high level of prevalence because total depopulation of affected herds or the deliberate slaughter of individual affected animals is not feasible economically. The mass treatment approach depends upon the availability of safe and cheap therapeutic agents. One of its applications is in the dipping of animals against tick infestation and accompanying disease. Establish a good contact with a veterinary doctor.

4.4.3 SHEEP AND GOAT

INTRODUCTION:-

Sheep and goats are kept primarily for cash and meat in small numbers of about 2-5 per household. They are advantageous because they are able to utilize fodder resources which are high in crude fibre. Their small size and great adaptability to extremes of environmental conditions further strengthens their importance.

Production systems:

1. Extensive system: This involves allowing the animals to graze freely, they roam about in the day and shut up later in the day and at right. In this system of minimal to no supervision, labour input is low. However, since there is no supervision, the problem of predation, theft and poisoning are common.

2. Tethering: The animals are tethered on areas of good quality fodder and moved around two or three times each day so as to have enough access to vegetation. This practice cannot engage a high number of animals.

3. Staff feeding: It is a compromise between the extensive system and the intensive one. The animals are allowed to graze for a limited period of about 3-4 hours and then brought back to the pens. Subsequently, in the day, they are fed on cut grasses or crop residues. On certain occasions concentrates may be fed when animals are nursing their young ones. The disadvantage is the high labour input since an average sized sheep or goat requires 4-8kg of fodder every day.

Housing:

The advantage of housing includes:

1. Protection against harsh weather conditions.

2. Helps in controlling feeding; (you will know what the animals eat and can adjust their feeding appropriately).

3. There is higher production.

4. With properly designed and constructed racks, food wastage is minimised.

5. It allows separation of young ones from old ones, and male from female.

The housing for sheep and goat need not be elaborate and expensive, once there is good ventilation and drainage. The structures should be made from locally available materials.

In hot and hurried environment, they could be kept in shall houses raised about 1m above the ground. For an average flock size of 8, a house of about 4m long and a 1.5m wide is good enough. The animals could be fed from a feed trough along the outside of a wall. The house could be of traditional design with the roof sloping steeply and the walls consisting of well-spaced pieces of wood or split bamboo, raised I meter above the ground. Floor space of about 1.7m2-2m2 is ideal; so that a building measuring 5X3cm can hold 10 mature sheep or goats while a pen measuring 6X7m will hold 10 sheep or goats and their kids. Floor space required for lambs is 0.4m2 for feed lot animals a space of 2.5X3m can hold 3-5 animals.

Feeding:

Food is a major input in all ruminants of production/management systems. The traditional systems have developed to take advantage of the available food especially low quantity food that is not eaten by other livestock species like pigs and poultry. While traditional systems are ecologically well balanced, there is sometimes shortage of specific minerals. If this is the case, giving an appropriate financial support can have a big impact on food production.

The major nutrients required by ruminant are energy, protein minerals, vitamins and water. Normally ruminants are often allowed to eat as much food as they want (adlibitum) though the major nutrients may not be available in the required proportions. It is even more serious when ruminants are confirmed because they have been denied the opportunity of selecting the most nutritive portions of fodder when they are now allowed to graze. Under confinement supplementation becomes a must apart from the basic diet of forage.

Supplementation: Supplements are foods, which are fed to sheep in only small quantities and which supply essential nutrients. It could be in form of crop residues, agricultural and industrial by-products as well as leguminous fodder. Supplements that could be obtained from agricultural and industrial by-products are brewers, waste, cassava peels, cotton seed meal, palm kernel cake, rice bran, wheat bran, cocoa husks, molasses, maize slower, etc.,

Fodder legumes:- Feeding of gliricidia and levicaena is becoming popular among ruminant farmers in south western Nigeria. These trees retain their green leaves throughout the year because their roots draw water from far below the ground surface. These leaves have high levels of protein (up to 20% crude protein), and so a little fodder therefore makes an excellent supplementation to a low-quantity roughage diet.

Research has shown that supplementation of gliricidia or levicaena or both up to 40% of the diet have no harmful effect on the health of ruminants. Examples of supplements that can be fed to small ruminant especially in the dry season are:

a Grass 30% + cassava peels 20% pkc 10% and gliricidia/levicaena 40%.

b. Grass 40% + brewers grain palm kernel cake 10% and gliricidia/levicaena 40%.

c. Grass 40% + rice bran 15% brewers' grain 15% and gliricidia/levicaena 30%.

Water: fresh clean water must be provided always.

RECIPES BASED ON BOTH TRADITION AND MODERN

METHODS OF HOUSEHOLD CASSAVA PROCESSING

INTRODUCTION

Cassava is a staple food of many people. The few misconceptions related to cassava, especially with regard to its low nutritional value, its effect on the solid and its toxicity have been effectively challenged by National and International Research Institutions and today cassava has gained recognition as one of the major staple crops and an excellent "Famine Reserve Crop"

The problem of toxicity in cassava and its products can easily be overcome by following the traditional detoxification techniques. And of instant cassava foods preparation the use of low cyanide varieties (sweet cassava) is recommended.

CHEMICAL COMPOSITION AND NUTRITIVE VALUE: The food problem of the development countries has been identified as colorize cum protein problem since the body's primary need is to be supplied with

Cassava is a good source of energy, 100g of cassava flour contains 87g starch and gives 357 calories, though, it contains no fat and low in protein, vitamins and most minerals, the consumption of cassava with other side dishes consisting vegetable meat fish and oil usually supply the missing nutrients. Cassava leaves contain some protein, vitamin C and minerals salt. They are often eaten as vegetables.

TABLE VI: NUTRIENT CONTENT OF CASSAVA:

Item	**Cassava tubers**	**Cassava leaves**
Nutrient content 100g of edible portion		
Calorie	153	28
Protein g	0.7	2.0
Carbohydrate g	57.0	4.0
Vitamin A	0.6	100
Vitamin B complex mg	0.80	0.48
Vitamin C mg	30	50.0

Source: Lagos State, Ekiti State Osun State and Ondo State Ministry of Agriculture, and Budgets, Nigeria. 2019.

The main objective of this thesis is to provide information on how to broaden food base with new cassava food products of high nutritive value and provide household food security for both rural and urban population.

It is also to create new employment opportunities and economic self-reliance both at the household and industrial levels for cassava processors.

The introduction, promotion and acceptability of these new and high quality food products whereby cassava flour (100%) has been substituted for wheat in the preparation for some confectioneries will go a long way in reducing the country's heavy reliance on imported wheat and save the Nation's Foreign Exchange reserve.

However, work is still on going in our research institutes to find local substitute for 'Gluten' in wheat whereby bread - the most important product consumed from wheat flour-can successfully be baked using 100% cassava flour.

TRADITIONAL CASSAVA PROCESSING

Traditional method of fresh cassava processing into various dietary preparation fries to combat the two major draw backs of cassava namely its: toxicity and its perishability.

Occasionally, cassava is eaten fresh, turn into paste or roasted. But usually, cassava processing is based on drying and dried products with or without fermentation. The reasons

for this are: To get rid of cyanide in cassava, to prolong the shelf life of cassava and to get foods with pleasant taste and flavour

CASSAVA FOODS

Fresh cassava and cassava paste

Low cyanide (sweet cassava) varieties are utilised for these foods.

STEPS INVOLVED IN CASSAVA PROCESSING

BOIL CASSAVA:

Peeling

Boiling of whole tubers

Boil cassava can be eaten with sauce.

POUNDED CASSAVA:

Peeling

Boiling

Pounded

Eaten with vegetable stew and fish or meat

CASSAVA PASTE

Peeling Washing

Grating

Dewatering

Use in preparation of cassava akara and puddings

Peeling and washing

Soaking for 3-4 days

Pulverising (breaking of the soft tubers by hand and then transferred into bags) Dehydration

Drying

Milling

GARI :

Peeling and washing

Grating

Fermentation

Dehydration

Sieving

ROASTED OR GARI-FRYING

Cooling

Packing

The quality and durability of stored processed cassava products will be enhanced if:

1. They are dried to a safe moisture content standard
2. They are cooled before being packed
3. They are stored in thick polythene bags or polythene lined sacks.

CASSAVA FLOUR PROCESS CHART/STAGE

Freshly harvested cassava

Wash

Peel

Wash

Grate finely

Pack in clean bag

Dewater (pressing)

Braking of lump

Dry

Mill

Flour

Sift and pact in air tight container

(All process to be completed within 24 hours)

CASSAVA STARCH

In Nigeria, starch is the next commonly prepared product from cassava apart from gari, majority of the starch processed, are mostly sold to be laundries and a little percentage is used in the preparation of traditional foods such as gari and tapioca with the current trend in finding alternate use for cassava especially in broadening the food base of the farm families and for improving the economic self-reliance of women cassava processors - the emphasis now is on

Developing new found products from cassava starch that can conveniently be prepared at the household level, the food products must be viable enough to attract micro and small scale entrepreneurs. The quality packing and price of the products must be such that can compare favourably with its type in the open market.

Presently only one or two factories are involved in industrial starch production in the south western Nigeria and they are still striving to meet the grade quality of starch being used in the pharmaceuticals and other industries such as textiles, batteries, paints and adhesives that utilise starch as one of their major raw materials. The establishment of industrial starch plant require heavy investment- In this write up we will limit ourselves to micro level cassava starch processing.

In the preparation of food items from cassava starch, the low cyanide cassava variety is advocated. The harvesting and processing of the starch must be completed within 24 hours, using clean water, in-order to eliminate dis-colouration and foul odour which may adversely affect the appearance and taste of the finished food products. Cassava starch can be cooked in diverse ways e.g. boiling, steaming, grilling, roasting, frying, baking and bottling. Gradually some of the food product from cassava starch food products are now becoming popular and are sources of economic ventures amongst its various processors e.g. tapioca and cassava flakes. While some of these food products are also being served as sweet deserts i.e. 3rd or 4th course meals in our big hotels. Not only can these, those food items with long shelf-life be well packaged and exported.

Cassava starch food productions are products that have great economic importance and high nutritional value as can be seen from the following recipes:

CASSAVA STARCH

PRODUCT PROCESSING CHART/STAGE

Freshly harvested low cyanide cassava variety

Wash

Peel

Ash

Grate finely

Mix with water (Sieve the whole volume of the mash)

Sieve through coarse sieve

Sieve through finer sieve

Pool the starch suspension

Allow to settle

Decant

Wash thoroughly

Allow to settle

Decant

Dry

Sift and pack in a tight container.

TAPIOCA

Tapioca is hard white granules obtained from processed cassava starch, it is the basic ingredient used in preparing Lagosians pudding (LP).

Lagosians pudding is a balanced whole meal enriched with coconut milk and flavoured with medicinal spices that give it a typical aroma and taste. The spices are good stimulant/ appetizer, which add invigorating benefits to the digestive system and eliminate intestinal gases.

CASSAVA FLOUR RECIPES:

1. Cassava/banana bread

Ingredients:

Cassava flour - 3 cups

Salt - 1 teaspoon

Baking powder 2 teaspoon

Sugar - 1 cup

Mashed banana 1 cup

Vanilla 1 teaspoon

Egg 3 medium

Method:

1. Sift dry ingredients
2. Cut fat with fork or pastry blender, mix until mixture resembles coarse corn meal.
3. Add eggs and vanilla and stir until thoroughly mixed.
4. Stir in washed banana.
5. Fold in dry ingredients
6. Place in well-greased loaf tin
7. Bake at 325 degree for 1 hour.

2. Cassava Queen Cakes

Ingredients:

Cassava flour- 3 cups

Sugar - 3 table-spoons

Margarine - 1 cup

Baking powder 1 teaspoon

Vanilla - 1 teaspoon

Eggs - 2 two

Salt - 2 medium 1 teaspoon

Method:

1. Sift together the cassava flour, salt and baking powder.
2. Cream the margarine and sugar thoroughly and add flavouring.
3. Add egg one at a time and beat very well
4. Add sifted by ingredients with the milk.
5. Put the mixture into well-greased muffin tins.

6. Bake in 350 degree for 20-25 minutes.

3. Cassava Coconut Cookies

Ingredients:

Cassava flour	3 cups
Margarine	1 cup
Sugar	1 cup
Grated coconut	1 cup
Egg	2 medium
Baking powder	3 teaspoon
Water	1 cup
Salt	1 teaspoon
Flavouring	1 teaspoon

Method:

1. Cream sugar and margarine till light and fluffy
2. Add eggs and beat
3. Mix with the cassava flour, baking powder and the grated coconut.
4. Add little water to form stiff dough.
5. Roll into smooth paste on a floured board.
6. Cut into shapes and put on a well pressed baking tray.
7. Prick with a fork.
8. Bake in very hot oven for 10 minutes.

4. Short Crust Pastry

Ingredients:

Cassava flour	2 cups - 200g
Margarine	1 cup - 50g
Egg	1 medium
Salt	1 level teaspoon - 5g

Method:

1. Weigh out 150g sifted cassava flour, margarine, and salt into a bowl and mix.
2. Put 50g cassava flour in 1 cup of boiling water and fold in gently four times.
3. Pour the cooked flour into the remaining weighed out ingredients.
4. Mix thoroughly with finger trips, until the mixture resembles breadcrumbs.
5. Whisk the egg, add to the mixture.
6. Mix to obtain stiff dough which leaves the sides of the bowl clean.
7. Use for any recipe which Calles for short crust pastry such as meat pies, sausage rolls and jam tarts.

5. Cassava Meat Pie

Ingredients:

Short crust pastry

Meat filling

Method:

1. Make short crust pastry
2. Roll out to about 1 inch thickness
3. Cut into rounds with a big biscuit cutter.
4. Put a table spoonful of meat filling on to one side; fold the other side over and press edges to close firmly with a fork.

5. Brush with beaten egg and bake in hot oven (35degree) for 30 minutes.

Ingredients:

Short crust pastry 120g

Sausage meat 240g

Method:

1. Make short crust pastry
2. Roll pastry into an oblong shape
3. Season sausage meat with white paper, black pepper, curry and salt.
4. Divided into species and shape into long strips
5. Put the sausage into the pastry
6. Fold the pastry over the sausage-meat.
7. Moisten the ends and seal by pressing the edges together.
8. Trim off the pastry leaving about 1cm of pastry at the edges.
9. Make diagonal slits at the top to allow stream to escape
10. Bake in a hot oven at 1750c (3500F) until evenly browned
11. Brush pastry with beaten egg to give a glazed finish.

6. Fried Products

Ingredients:

Low cyanide tubers 1 medium

Vegetable oil 1 bottle

Onion 1 medium

Salt to taste

Method:

1. Peel and wash tubers

2. Cut into thin round slices
3. Soak in hot salty water for 30 minutes
4. Deep fry in hot oil until golden brown drain and pack.

7. Cassava Fish Pie

Ingredients:

Cassava flour	1 cup
Margarine	1 table spoon
Egg	1 medium
Baking powder	1 teaspoon
Milk	1 teaspoon (powdered milk)

Plated Fish Filling

Method:

1. Sift flour and baking powder together
2. Rub the fat into flour
3. Mix with beaten egg and milk to a stiff paste
4. Roll out thinly
5. Cut into rounds
6. Put a desert spoonful of fish filling on one side
7. Moisture the edges
8. Fold the other on top
9. Fry in deep fat

8. Cassava Akara Cake

Ingredients:-

Cassava flour	2 cups
Cowpea paste	2 cups
Onion	1 medium (grounded)
Vegetable oil	1 bottle
Add salt	to taste

Method:-

1. First, beat the cowpea until very light and fluffy
2. Blend with the cassava flour
3. Stir with the onion and salt
4. Extrude mixture from a case decorator
5. Deep fry in hot oil until golden brown

9. Cassava Chin-Chin:

Ingredients:

Cassava flour	2 cups
Margarine	1 cup
Sugar	2-4 table spoons
Egg	2 medium
Powdered Milk	2 table spoon
Baking powder	1 teaspoon
Grated nutmeg	1 teaspoon

Method:-

1. Sift the dry ingredients together
2. Rub in the margarine into sifted ingredients
3. Add egg 2 medium

4. Mix with water to a satisfactory consistency
5. Knead lightly until smooth
6. Roll evenly on a floured board
7. Cut into bits
8. Fry in hot oil until golden brown

10. Cassava Starch Recipes

Tapioca process chart

Moist starch

Break into me granules

Roast over low heat

Stir continuously till it forms crystals

Sieve to separate the lumps

Store in air tight containers

11. Recipes (Lagosians/Eko Pudding)

Ingredients:

Tapioca 1 cup

Coconut milk 3 cups

Water 2 cups

Add Sugar to taste

Add seasoning to taste

Bay leaves

2 Cloves

2 tin in a muslin cloth

Grated nutmeg 1 teaspoon

Method:

1. Soak the tapioca in 2 cups of water (1 hour)
2. Bring the coconut milk to boil
3. Drop the spice cloth inside the boiling milk for 5 minutes
4. Pour in the soaked tapioca and cook for 10-15 minutes
5. Stirring all the time
6. Pour into a cereal dish
7. Add hot milk and sugar to taste

12. Cassava Flakes

Cassava starch 2 cups

Fish mince 1 cup

Sugar 3 table spoonful

Ingredients:

Groundnut oil 1 bottle

Method:-

1. Mix all the ingredients together thoroughly.
2. Add little water to form it into very soft dough
3. Extrude in cylindrical tins, using polythene bags
4. Steam for 90 minutes
5. Refrigerate over night
6. Slice thinly
7. Sundry
8. Fry briskly in hot oil

13. Cassava Starch Balls

Ingredients:

Cassava starch	1 cup
Wheat flour	1 teaspoon
Sugar	1 teaspoon
Grated coconut	1 teaspoon
Red colouring	1 cup
Vanilla	1 teaspoon
Warm water	1 teaspoon
Salt to taste	1 tea spoon

Method:-

1. Mix starch flour, sugar and vanilla
2. Add warm water to form thick dough
3. Divide into two parts, Leave one part plain
4 Add the red colouring to the other part
5. Form the two parts into small balls and put gently inside boiling water
6. When the balls are cooked they will rise to the surface of the boiling water
7. Carefully remove from 2 water and drain
8. Allow to cool

14. Sprinkle with Grated Coconut Cassava Starch Rainbow Pudding

Ingredients:

Cassava starch	1 cup
Wheat flour	1 cup
Water	1 cup
Vanilla	1 teaspoon

Sugar	2 teaspoon
Powder milk	2 tablespoon
Colouring	(red, blue)

Method:-

I. Blend all the ingredients together

2. Cook in a saucepan

3. Divide into 3 parts

4. Leave one part uncoloured, colour the remaining part separately.

5. Pour layer by layer into a well-greased baking pan, repeating till the mixture finishes

6. When cool cut into square pieces

15. Cassava Starch Salad Dressing

Ingredients:

Cassava starch	1.5 cups
Mustard	1/8 cup
Sugar	5 cups
Salt	1/8 cup
Vinegar	1 cups
Water	4 cups
Pure vegetable oil	1 cups
Egg (yolk)	2 medium

Method:

1. Combine all ingredients (except the oil and egg yolk stir very well

2. Bring the boil

3. Chill inside refrigerator

4. Blend the mixture briskly
5. Add the egg yolk and blend again
6. Add the vegetable oil and blend at high speed
7. Blend very well until mixture becomes homogenized
8. Pour the mixture into sterilized covered bottle

16. Cassava makes (2nd option)

Ingredients:

Cassava starch	2 cups
Fish mince	1. Cup
Sugar	2 teaspoons
Salt	1 teaspoon
Water	1/2 cup
Oil	for deep frying

Method:

1. Mix starch, blended fish, sugar and salt together
2. Add water gradually till it becomes easy to roll into thin dough
3. Roll out the dough into the dimension of a tray.
4. Put the dough inside the tray inside a steamer
5. Steam until cooked (1 hour)
6. When cool, cut into strips and sundry
7. Fry the strips briskly in very hot oil

17. Cassava Starch Bread Burns IITA Recipes

Ingredients:

Margarine	50g
Water	100ml

Salt	1.5g
Cassava starch	100g
Egg	1 medium

Method:

1. Heat the margarine in a saucepan until it melts completely
2. Add 100ml of water and 1.5g salt and allow the mixture to boil while stirring to form an emulsion
3. Pour the hot emulsion into 100g of cassava starch and stir at low speed
4. Add the whisked egg and continue mixing at high speed until uniform viscous dough is obtained
5. Divide the dough and shape into round balls of any desired size with greased palms
6. Bake at 2000c for 20 minutes

18. Cassava Flakes

Ingredients:

Cassava starch	1 cup
Water	1 cup

Flavouring:

Garlic	1 teaspoon
Onion	1 teaspoon flavouring
Pepper	1 teaspoon
Cloves	1 teaspoon

Method:

1. Mix together starch and water until very smooth
2. Add the flavouring
3. Put on medium heat stirring all the time until thick
4. Drop by teaspoonful on a lined tray to dry at 50-550c in drying oven or in sun.

5. Fry briskly in very hot oil.

3.4 RENTAL SERVICES

DEFINIT10NS:

RENTAL: Is defined by Oxford Dictionary, 2019 as "regular payment for the use of land, a building, a room or rooms, machinery" etc.

HIRE, According to Hornby (supra) is to "obtain or allow to use or services of in return for fixed payment". It goes on to give examples-such as hiring a horse, boats, bicycles, hall "for a special occasion". Black (1978) in its definition of HIRE states it as "Compensation for use of a thing or for labour or service"- Oxford Dictionary 2019.

These two words, Rent and Hire can be interchangeably to mean the same thing. It would have been proper to use the word-Hire (Hornby) because its definition contains all the ingredients needed in this business though, rent is preferred because Rent (Rentals) is so easy to pronounce and it can be understood by all and sundry.

In this context Rental business can be explained as a business venture whereby rentable items are. Acquired and given out as rent to prospectus users for a short period of time while the users pay an agreed sum of money for using same. It is a contract where both the owner and the user have their respective right.

Rental business is one of the most lucrative businesses

Ventures today and no amount are too small to start one depending on the size (composition).

COMPOSITION OF RENTAL BUSINESS:-

This is no end to the number of rentable items that can be acquired for rental business. For the purpose of this workshop, I have divided rental business into two categories- A & B.

CATEGORY A:

This is a full-fledged rental business where every rentable item is present. The following inter alia, are rentable items in this category.

More can be added as they become feasible and visible.

Canopy Plastic chair

Cane chair

Executive chair

Table Flat plate

Cup

Silverware

Table cover

Tray

Cooler

Empty drum

Water tank

Iron cooking pot (ikoko irin)

Big cooker (adogan)

Soup spoon

Generator

Speaker Amplifier

Illumination wire Fluorescent tube

Bulb

Brigade band set

Public address system (PAS)

Standing fan

Undertaking

Service boy and girls

Video coverage transport

BASIC REQUIREMENTS:

This category is a formidable rental business and it requires the followings:

1. Huge initial capital outlay
2. Business name
3. Business premises
4. Staff
5. Delivery van/ truck

CATEGORY B:

This is a sub-set of Category A (selection from category A).

Financial strength is the determining factor. You can select only one rentable item, start from their and continue to build upon it to reach the peak of rental business.

You can start category A if you have the wherewithal (which you have) else category B. if you start category B, it is alright, because Rome they say was not built in a day.

PRICE SURVEY:

I have carried out price survey of some rentable items which can benefit you. The prices may go out of date if they are not utilized now, because Nigeria Economy is being determined by inflation.

The prices are as follows:

ITEMS COST	PRICE	RENTAL FEE
Canopy (complete)	250,000	8,000
Coloured plastic chair (iron frame)	6,500	1,800
White plastic chair	6,000	3,000
Flat plate per dozen (breakable)	10,000	1,200
Flat plate per dozen (plastic)	8,000	1,000
Table spoon (steel) per dozen	1,300	500
Table cover (leather)	1,500	500
Table cover (cloth with decoration)	2,500	700
Cooler (50L)	1,500	
Table	2,000	600
Empty drum	1,000	
Tray snail/ big	3,500-5,000	600 – 1,000
Stirring stick	250	200
Glass cup per dozen	2,500	600

Source: AUTHOR SURVEY REPORT 2019:

How to start

If you want to start a rental business with little capital of NI0, 000.00, it is so easy. Follow these steps and you are already into the business.

1. Buy 5 dozen of flat plates at N1, 000.00 each - N5, 000.00

2. 6 dozen of table spoon at N130.OO each 780 .00

3. 2 medium coolers at NI, 400.00 2,800.00

4. 2 big size of tray at N500.00

5. Engraving of name/business name 1,000.00 60 pieces at N50.00 each 3,000.00

6. Transportation

GRAND TOTAL

STATED BELOW:

Flat plates: 5 dozen at 1,200.00 per dozen

Cooler 2 1,500.00 Each

Tray 2 Nos. at 1,000.00 each

5 spoon 6 dozen at 500.00 each

Total income per week

In the table above, average income of 1200.00 - NI00, 000.00

Rental Fee

N60, 000.00

N30, 000.00

N20, 000.00

N140, 000.00

N40, 000 per week for 8 weeks will give N 320,000.00 which is above initial cash outlay. The income there from will not stop at that, rather, it will continue indefinitely as an-going enterprise as long as the rentable items are kept up. Therefore, investing more funds in rentals will bring more income in that proportion.

At this small-scale level you can also introduce children and or your relation.

CAUTION FEE

There is caution fee payable to every user to the owner of security for item(s) the user hires. This fee is determined by vole of the business and it is refundable when the items are re ed in good

In case of breakages/ damages therefore, the user pays for same from the caution fees already deposited and, the balance (if any) is refunded by the owner.

CONCLUSION

The risk in rentals is here able because, it is calculated risk. Be a risk-bearer and the time is now. Precious time had been wasted in the past due to ignorance. Start-up rentals from somewhere today and in no distant future, your dream will become true; you will experience financial break through and the proud owner managing director of a formidable rental outfit.

FINANCING RENTAL BUSINESS:-

There is various ways by which funds can be raised to finance business projects. This workshop had enumerated them.

However, apart from personal savings, the only sure source which does not require stringent collateral is co-operative society/union, the primary aim of which is to give out loans to its members for productive purposes (Bye law 52).

Lending policy of co-operative varies from society to society. While some give double the member's asset, some give triple and also, the period of repayment of loan. Whichever policy your society adopts, you have right to loan.

MARKETING YOUR RENTALS:

Apart from the sophisticated of creating awareness for your service (Electronics and prints media), yet, looking at the neighbourhood, there will be some people who are already into this business. Associating with them is to create mini monopoly of the business.

This type of association works well because when there is more demand than they can supply, the new entrant will be called upon to supply and this therefore; you have started to have your share of the market as there is a wide market for rentals.

Secondly, informing your friends, relations, co-workers, club, mosque and church members etc. that you are on board for rentals, you have done more than radio or television advertisement.

Thirdly, printing of business card to show-case all that you offer in rentals.

FINANCIAL RETURNS

Looking at "Rental Fee" column of the survey (above), it takes a maximum of 8 week (2 months) to recoup you initial cash outlay of N100, 000.00. It is not a magic, the work ability is as

3.4.6 SOAP PRODUCTION

Soap is a product of saponification, a reaction of fat oil and alkali. Soap is considered to be the most common cleaning agent worldwide. It is used for bathing, washing of dresses, kitchen utensils etc.

SOAP MARKING:- It consists of reaction of fat/ oil with an alkali to produce soap and glycerol.

FAT-ALKALI = SOAP + GLYCEROL

C3H502 (CR) 2 +3NAOH = 3RC02 NA +

Soap is obtained either by saponification of fats and oils of vegetable and animal origin or by renormalization of fatty acids.

The properties and quality of a soap bar produce depend on many other factors which include physical look on the soap, processing finishing conditions and pre-treatment of fats. Fats and oils are composed of triglycerides and fatty acids. Fatty oil, alkali and builders are three major materials for good soap production.

MANUFACTURING OF SOAP

The manufacture of soap involves four stages.

Manufacturing process is usually classified as follow:-

1 Batch process: This process could be cold process or semi boiled process or full-boiled

2. Continuous process: Here crude oil neat soap is produced.

PRODUCTION PROCESS/FORMULATION

It is important to note that all chemical involved in soap making must be used in liquid form and an instrument called hydrometer is used to measure the (specific gravity) weight of the chemical in solution. For each of these chemicals caustic soda, caustic potash, soda ash and sodium sulphate are all bought in powdery form and granules and must be dissolved in water. These materials are mixed together in the right proportion to obtain a good soap.

EQUIPMENT NEEDED FOR SOAP PRODUCTION

Table vii

	Equipment	Specification	Unit cost
1.	20014 village based reactor	Capacity: 150L molten soap/batch, manually	N500,000.00
2.	Mould	Capacity: 40L	N3,500.00
3.	Metallic cutting table	Equipped with string spacing to cut both tablets and bars	N35,000.00
4.	Stamp	Hand operated	N4,500.00

SOURCE: Osun State/Ekiti State/Ondo State/Oyo State Ministries of Agriculture, Commerce and Industry, 2019, Nigeria.

EQUIPMENT AND RAW MATERIALS REQUIREMENT

FOR SOAP PRODUCTION

i. Equipment: Small-scale, plastic bowls; paddle, plastic bucket storage tank, caustic soda tank, hydrometer, hand gloves, thermometer, filter, bowl, cutting fools polythene (nylon) tabulating machine, reaction etc..

ii. Raw material: Palm kernel oil, caustic soda, sodium carbonate, soda ash, sodium sulphate, sodium chloride, sodium silicate, calcium carbonate, dyes, perfumes.

3.47 FRUIT JUICE PROCESSING

A fruit can be defined as the ripened ovary of the flower with or without associated part. Fruit can be further classified into two broad categories namely juicy fruits and pulpy fruits. Fruits

are important in human diets especially vitamin C. fruits are very low in fats and proteins while they are high in sugar as they contain large amounts of glucose, fructose and in many cases sucrose.

However, in Nigeria, fruits availability is short-lived because they are seasonal and highly perishable.. Up to 30-60% is recorded during the peak production season. These losses lead to frequent shortage in fruit availability even at the peak of function thus making them very expensive especially in urban to minimize these losses therefore, fruits must be processed in large quantities in order to utilize most of it at peak production period.

Fruit can be processed into a range of products such as juices, jams wine, dehydrated products etc. the process machineries and equipment are very important to commercial scale production. The aspect of machineries and equipment last is carefully considered before embarking on its project. It is essential that suitable machineries and equipment are employed for the successful operation of fruit juice productive industry.

For the thesis, we shall consider the:

Flow Chart/Stage of Fruit Juice Processing:

Collection of fresh fruit

Washing

Sorting

Peeling

Juice

Filtering

Boiling

Corking

Pasteurisation

Cooling

Labelling/packaging

The major machineries and equipment required for the above flow chart are:

1 Washing machine

2. Sorting machine

3. Peeling machine

4. Fruit juice

5. Extractor,

6. Mixing machine

7. Filtering machine

8. Corking machine,

9 pasteurise.

All these equipment are available locally

Juice formulation: This is the process in which the concentrated fresh juice is diluted with water, sugar and preservatives. The proportion of water for dilution should not exceed 50%. A simple formula to serve as guide is as follow.

Expected final volume of X % juice = 100 X Vol. 100 100% juice

X 1

Where X = Expected final volume of X % juice

The preservation that is permitted to be used is:

1. Sodium benzoate

2. Ascorbic acid

3. Sodium meta-bi-sulphate

Important Note:

Before your product can be allowed a free passage into the Nigeria and export markets you need to official approval of the National Agency for food, dry administration and control.

3.4.8 PRODUCTION OF POMADE

We are familiar with crude oil which after refining plays such an essential part in our everyday life, generating electricity, gas for cooking raising steam in our factories, lubricants for our machinery etc.

In the process of refining of lubricating oils of different viscosities for every conceivable purpose, we have wakes, petroleum jelly and white oil. These materials are essential in the manufacture of pomade. In formulating products like pomade, petroleum jelly, white oil, lanolin, perfume and colour are added in right proportion to obtain a good product.

PETROLEUM JELLY: This mixture of microcrystalline wax and high molecular weight oil is produced by the de-waxing from crude oil. However, modern petroleum jelly is modified by the careful proportion of admixtures of oils and waxes to impart specific characterization to the petroleum jelly depending upon the end us.

WHITE OIL: These materials are pure hydrocarbons derived from the refining of crude oil. For all practical purposes a high medical oil melting BP/USP is the most satisfactory for this purpose.

COLOUR: The right colour.

A number of factors will influence the choice/ performance of colour to be used in a particular formulation.

PERFUME: Perfume effects on colour stability are varied unpredictable. It is well known that perfume from .one supplier will have different effect on a colour while that of another supplier will have no fading effect.

The major equipment needed for the production of pomade is:

1. Motorised mixer or manure mixer

2. Filling storage/ machine. This equipment can be obtained locally.

3.4.9 CANDLE MAKING

Candle is made of wax; stearic acid and paraffin oil- Candle consist of cylinder of wax or fatty acids surrounding a wick lying true in the centre in order to avoid unequal burning. These wicks are made of cotton threads loosely plaited together and soaked in a solution of boric acid, potassium nitride or chloride and aluminium chloride, sulphate or phosphate. The plaiting causes the wick to curve when burning and thus they burn away at the ends without causing flame to smoke.

The chemical solution vitrifies the ash of the wick and the minute glassy particles dropping off from the bent wick leave the end free for the melted fat to ascend to the point where combustion is taking place. In the absence of this chemical treatment the wick burns off short in the flame and causes persistent gutting Stearin or paraffin candles are moulded in special machines.

A candle moulding machine consist of a battery of moulds contained in a tank through which warm or cold water can be passed as desired in order to heat or cool the mould. Each mould is made of polished tin, sometime back by iron and traversed by a piston, which can be raised or lowered so as to force the candle out of the moulds. To use the machine hot water is first driven through the box containing the moulds so as to heat them to a suitable temperature; next the melted wax is poured into the trough and not only completely fully the moulds but have a surplus in the trough to allow for contraction of materials on cooling.

Next, the hot water is replaced by a stream of cold water which rapidly chills the moulds, the candles solidify. The wicks of the candle hold in the clamp above the trough are now cut and the previous round of candles carried away for packing.

With good formulation, a slab of wax can produce 125 stick of candles while a carton of wax can produce 600 sticks. Also, a ton can produce 12,000 sticks (85 cartons) or more. The

equipment involve in producing candle making are boilers, measuring bucket, scale and also candle machine. The mould could be made of brass aluminium or mild steel. But the mild steel mould always rust, to avoid rust} you must always oiling the mould after production.

Transportation candle: Transportation candles for ornaments purposes may be made in a variety of ways.

1. If 100 parts of paraffin wax be melted at 800c 900c with 2 parts of beta-naphthol, a material is obtained which remains transparent on moulding.

2. Paraffin wax, 70, stearin, 15, and petroleum 15, melted together give a low melting point transparent candle material.

3. Paraffin wax, 90, stearin, 5, and petroleum 5, give a higher melting point material somewhat less transparent than

Cost of candle mould is (m/ s) between N200, 000 – N300, 000 for 100 kg) kg/batch.

Cost of brass mould is between for 100 sticks per batch.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 BARRIERS TO EFFECTIVE MSE TAKE OFF

Despite these new initiatives and repeated attempts by both the government and the private sector to promote the activities of MSE in South Western Nigeria, they continue to be faced with numerous problems, some of which includes:

1. Policy inconsistency- Seesawing of government policies that makes planning difficult, policies that require or enable MSE to acquire raw materials, unclear international quality standards, etc.,

2. Unstable macro- Economic environment-costly import dependency, high debt burden limited access to technology and best of breed business solutions, business seminars, consulting and training,.

3. Very poor, or in some places non-existent infrastructure inability to access markets, communication, powder, water etc.

4. Government bureaucracy which increases MSE operating costs-unfriendly judicial, regulatory and business environment

5. Lack of short and long-term capital-inadequate access to financial resources and credit facilities.

6. Limited and unreliable data-limited information on

Local and Overseas markets.

7. Lack of managerial facilities and enterprise support services- limited capacity to business association, for example chambers of commerce, etc.

However, a number of MSE-support institutions such as MSIDA and Micro and Small Industry Development (MSID) have been created since 1999. Despite this creation, there were, and still are several interrelated causes for these problems with increasing negative effects on production efficiencies, profitability and solvency. Principal among these is inconsistencies in the adjustments and implementation of government industrial incentives and other policies. Others relate to sources of finance and relevantly trained manpower and determinable labour relationship. These barriers are discussed in detail below.

5.1 BUSINESS ENVIRONMENT

The MSE sector in Nigeria operates in an environment with very poor infrastructure, which constitute a barrier to entry and hinders international competitiveness. Consequently, they are heavily dependent on imports of capital and intermediate goods for the manufacturing sector. The Government however is committed to supporting MSE through tax incentives, subsidised technical assistance and special financing schemes, but the challenge usually is in

implementing such support. The administrative barriers to doing business remain the bane of many MSE. Multiple permits and fees are required at the state, local government and municipal levels, often spontaneously, simultaneously and with little justification or proportionate benefits. Whilst there is a high degree of entrepreneurial capacity among MSE, there is a widespread culture of operating in the informal economy. This is due to low trust in the government and low compliance with the law, which they see as slow and corrupt.

These MSE also operate in an environment where public power and water supply are most unreliable in spite of the efficiency in which the public utilities send their periodic charges. Most micro-enterprises operate with sensitive electrical circuits and equipment, which are susceptible to damage by the dips and surges that come with relying on public electric power supply. These have been very costly as shocks that accompany surges knocks off some equipment and replacements are almost impossible, especially if they cannot afford independent power generating sets.

Government capacity to deal with MSE issues is still very elementary despite its good intentions to develop and support the MSE sector. Information is usually unavailable and policies are at best inconsistent. Thus, better coordination is needed between the various state governments and agencies.

5.2 ACCESS TO FINANCING: TABLE VII

Group	**Percentage constrained**
Full sample	80.3
Micro (20-49)	51.7
Small (50-99)	81.8
Medium (100-199)	89.8
Large (200-499)	100.0
Very large (over 500)	93.1
Foreign owned	93.6
Indigenous	70.2

Source: World Bank, Nigeria Firm Survey, 2011, South Western Nigeria Chamber of commerce Organisations 2019.

The financial system in Nigeria is oftentimes awash with liquidity, but banks have been very reluctant to grant loans to MSE, which they regard as a high-risk segment. Most of the banks would rather pay the penalty imposed for not meeting the minimum exposure to preferred sectors of the economy than actually run the risk of being exposed to them. Available short-term loans are usually approved for larger MSE that engage in trading, rather than the more productive smaller-scale industries. Lately, local banks have piloted new specialised MSE lending initiatives to support the sector. In addition, MSIEIS has accrued over N6.2 billion to date base on the 10 per cent net profit retention from the approved accounts of banks. In the first quarter of 2012, over N300 million worth of investments was made in MSIEIS deals.

A 2011 World Bank survey on Nigeria's firms showed that although 85 per cent of the firms had relationships with banks, not all of them had access to external credit.

PERCENTAGE OF FIRMS HAVING ACCESS

TO EXTERNAL CREDIT

According to Table vii, the larger a firm, the more likely it is to have access to external sources of credit. Almost 100 per cent of firms with more than 250 employees have access to credit compared to only 52 per cent of micro-enterprises and 80 per cent of small firms. Interestingly, over 90 per cent of foreign firms have access while just over 70 per cent of indigenous firms do.

Since MSIEIS cannot satisfy the financial needs of every MSE secondary financing sources are another alternative. Unfortunately, there are few domestic equity sources, as well as limited sources of export finance, and MSE do not participate in the stock market. This is due to their inability to meet the listing requirements as well as their persistent tendency to operate as much as possible in the informal sector. They are also unaware of the advantages of using the stock market as a source of financing. The incorporated Bank of Industry is expected to play a very important role in addressing MSE financing, monitoring and advisory issues.

5.3 ACCESS TO ENTERPRISE SUPPORT SERVICES

There is no one-stop office where an entrepreneur can have access to all the information and support services, or operating obligations required for the efficient performance of his business. In fact, in 2000 the United Nations University Institute of Technologies conducted a survey of manufacturing MSE located in Lagos, Only 9 per cent of those surveyed used external consulting services often and 49 per cent used it occasionally, whilst 42 per cent never used professional management and consulting services at all. Research, product and process improvements were found to be of minor kinds, undertaken by people relying on experience rather than new forms of knowledge. The primary reason given for the limited use of external management and consulting services was the unavailability of affordable, quality professional management and technical no how advice.

Nigerian MSE tends to invest little in research and product and process improvements, hence their low average output.

However, donors like International Finance Corporation (IFC)}

Lagos Business School, Fate Foundation, and various South Western State of Nigeria governments and federal government provide business incubators with business plan preparation and other programmes that aid. Although there is an extensive network of associations, including Chambers of Commerce, some of their services, e.g. export promotion or advocacy have very limited effect because they are undermined by large macroeconomic

or systemic failures. MSE would benefit from greater capacity in information management and policy advocacy that could come from these associations.

5.4 ACCESS TO INFORMATION

Very limited information on the local and foreign market is available to MSE. The quality or authenticity of this information is usually questionable since they essentially come from informal sources. Information is also required to help build domestic production chains and establish linkages with other MSE and the larger, formal enterprises. The various South Western Nigeria states chambers of commerce and other donor-backed organisations support information dissemination forums like trade fairs, workshops and conventions. This dearth of information provides an opportunity for the establishment of an Information Centre or Internet Access point for MSE to get information and communicate with each other. Internet Access is limited due to the poor, though improving, telecommunications and power sectors.

There is also the need for market situation reports for those MSE that are in export oriented sectors. An industrial estate would therefore be well served with a representative or branch office of the Nigerian Exports Promotion Council (NEPC) and the

IDC. this is essential in order to assist MSE with related information on local and overseas markets for capital, raw materials and final products, advisory services and even assisting in filling their tax returns. In the absence of industrial centres, the South Western Nigeria governments Ministry of Commerce and Industries could set up a user-friendly website which MSE can browse and download any and all requisite information relating to their business interests.

BASIC ENABLING ENVIRONMENT ANALYSIS:

LIMITATIONS AND SUGGESTIONS

The barriers to an effective MSE take-off in Nigeria have been briefly addressed in the previous section. In this section, efforts would be made to proffer detailed analysis of these limitations in the MSE operating environment and suggest extra feasible governmental initiatives at alleviating the constraints within identifiable components. Paramount among the components is the adequacy of:

i. Infrastructure- industrial estates, transportation, electric power supply, water, telecommunications, industrial clinic/ hospital.

ii. Operating legal framework, licenses and permits taxation.

iii. Business finance- structured sources of long and short term funds, and the nature of the conditions for access to such funds.

iv. Training- Business skills, foreign trade.

v. Consultancy- accounting, auditing, finance and legal.

vi. Information- market situation, internet access

vii. Business Networking- NASME, NASSI, NACCIMA South Western Nigeria Chambers of Commerce, State Ministries of Agricultures and South-western Nigerian states Local governments and Manufacturers Association of Nigeria (MAN), etc.

5.5.1 INFRASTRUCTURE

Power and telecommunications are of particular importance to MSE given that generators are not economically viable for most, and often being located away from commercial centres, MSE suffer disproportionately from infrastructural shortcomings. Emphasis must be placed on the provision of these and other infrastructure such as water, road network, waste management and clinics in locations where MSE are seen to cluster. It is hoped that South Western Nigeria state governments would undertake new infrastructural developments as well as maintenance of broken down ones.

The first step for government is to completely privatise the telecommunications and power supply sub-sectors and transfer provision of power and telecommunication from inefficient organisations to the market-driven operators in the private sector. This will not only boost government revenue, but will generate funds for use in other areas of infrastructural need.

Industrial estates play very vital roles in the encouragement of entry of new entrepreneurial outfits into the MSE sector. Suitably located land for industrial purpose is generally scarce and therefore costly, as there is demand on land for housing and agriculture with an ever-growing population. The government should also consider inter-related industrial cluster-type estates or parks. These are locations where the MSE are principally engaged in identical production/ technological processes and thereby have the advantages of synergy in terms of pooled facilities and services. Effort should also be directed at making the South Western Nigeria states Export Processing Zone operational, so that government may use the experience gained in its operation to establish well-serviced commercial zones in all the states of the federation. Within such zones, the operators would be given the advantage of pooled infrastructure costs, financial counselling and training on the different areas and aspects of better business practices and protocols of foreign trade.

5.5.2 LEGISLATURE

There are several provisions in the law regarding the registration, operation and management of business in South Western Nigeria. The large-scale entrepreneurs naturally have access to highly qualified retainers in law, finance and accounting to counsel and assist them in these areas. Unfortunately, the MSE do not have such an advantage. In the first place, the MSE operate mainly within the information private sector, outside the ambits of the Corporate Affairs Commission and the NIPC. They are not even represented at the annual Nigerian Economic Summit, which often dialogues with the government at various decision-making levels. Several of them though, associate with NASME and its sister organisation - NASSI. Some are registered members of their respective state chapters of NACCIMA (Ekiti, Ondo, Osun, Oyo, Ogun and Lagos, 2019), and few have at one time or the other related with MAN.

Presently, not more than a handful of them know of the existence and functions of MSIDA. Their philosophy of operation consists in being only visible to their marketing outlets. Such is the extent of their fear of exposure to government agencies, to the extent that they do not even indicate their business addresses on the labels of their products, all in a bid to minimise 'harassment' by government officials, especially during tax collection drives. Often their grudge is that government does not assist in providing any input at their initialisation and operating stages, but is the first to come down on them with various forms of tax assessment and other regulatory and predatory notices.

The first line of approach in remedying this situation would be for government to educate the MSE on the policy objectives, rules and regulations guiding their operations. This will strengthen their resolve to challenge any overbearing official who threatens them with punitive penalties for alleged legal improprieties. By displaying transparency about the MSE rights and obligations under the law, the MSE will begin to make efforts to make their businesses more formal and open such that they will benefit from the several MSE-related incentives with minimal bureaucratic delays. These are areas where MSIDA, which is expected to initiate and articulate ideas for MSE policy thrust, can be very functional. Over time, the MSE would develop closer association amongst themselves and with other bodies such as MAN, NACCIMA and other government agencies. This will pave the way for greater dialogue and brainstorming on MSE-related issues and their effective participation in industrial development of the country.

5.5.3 BUSINESS FINANCE

Due to their organisational structure, size and operations, MSE portray a high-risk, high-failure-rate group. They are typically sole-proprietors or family-owned partnerships, and there is no separate legal personality attributable to the MSE other than its proprietor(s). For this purpose, the survival and continuance of an MSE in business is limited to the life span of its proprietor or Founder. This perception adversely affects its ability to secure short-term finance since their capital base is usually very small and not adapted to sustain any meaningful loan fund from the Nigerian banks. Occasionally, only MSE that are involved in merchandising importation can are privileged to obtain short-term financing of 60 days or less.

This is about to change somewhat as an MSE Partnership Fund, a partnership of 12 banks managed by MSE Fund Managers Limited under the umbrella of SMIEIS has been established. The downside is that their portfolio does not address the problems of micro-enterprises whose level of financial need is still too low to meet the Fund's optimal scale of investment. To address the financing needs of these microenterprises, government has to mandate banks to structure a specific low-interest financing package. This will need to be designed specifically for the micro-enterprises through an on-lending scheme in which selected participating banks undertake the responsibilities of monitoring and advising the beneficiaries. On the other hand, just as banks were mandated to set aside 10 per cent of their profits for MSE, the large-scale enterprises and multinationals could be expected to do something similar. They could be made to assist MSE-particularly those that have backward

and forward linkages to them- in areas such as credit, business advice, and mentoring and counselling, loan applications evaluation and project implementation monitoring. This will prevent government's Poverty Alleviation Fund scheme, directed at the MSE, from suffering the same faith of gross loan defaults, when beneficiaries diverted the funds to other engagements.

TRAINING

There are several avenues for training in both the private and public sectors of the economy. Unfortunately, no central reliable authority takes the responsibility to harmonise and accredit these programs. Furthermore, small business operators cannot afford registering for some of these advertised courses and programs that remotely relate to MSE. Occasionally, the IDC organises training programs that are MSE specific. These can be coordinated better with SMIDA as they are both under the same controlling ministry. Both bodies should map out relevant training programs for the MSE in areas like Technical, Accounting, Managerial including Planning, control and Monitoring, Commercial Law and Marketing and the Foreign Trade skills relevant to their respective operations. This training schedule would provide the MSE visibility to technical and market variables. This will also forestall the mishap of a few years ago where several of them lost their capital in ill-advised export transactions because the quality of goods they exported were below international standards. It is also recommended that government revert to, and resuscitate the old Government Technical Colleges including refocusing the nation's polytechnics and technical institutes by designing curricula that focuses on hands-on training. Lagos-based, IFC sponsored NGOs like the support and training Entrepreneurship Programme (STEP), focus on the informal sector and provide micro-enterprises with an array of client services including training, assistance in writing business plans and links with micro finance institutions.

5.5.5 CONSULTANCY

The cost of consultancy services in Nigeria is high but there are affordable accounting, auditing, and finance, technical- engineering and legal professional firms in the country. There is need to structure an appropriate arm of SMIDA to assist procuring relevant but fairly moderate consultancy services for the MSE. Also, as earlier mentioned, large corporations and multinationals can provide these services free to the micro and small firms.

5.5-6 INFORMATION

Information needs are very crucial for the ultimate survival of an enterprise Therefore, MSE operations must be information driven to enable them be consistently aware of the market situation as well production variables necessary for making good business decisions. Thus, awareness through communication, including newsletters, internet access, etc. should be inducted into their daily operational strategies and practices. Though the initial installation costs may appear to be high, the operating costs are low and the benefits are priceless. As mentioned previously, SMIDA should develop an information exchange centre or a website, where MSE operators can send enquiries, feedbacks, get answers to frequently asked questions, and general information about their business. Also, links to other suitable sites,

like the NEPC, the NIPC; the EPZ the NACCIMA, MAN, etc. should be encouraged to enable MSs extend their research into the more detailed data on the subject of their inquiry.

5.5.7 BUSINESS NETWORKING

In 1978, MSE set up NASSI, which as at mid-2011 had over 20,000 registered members and branches in all the states. Later in 2006, NASME was founded with two classes of membership-direct and indirect-which by mid-2011 membership count was 300 direct and nearly 5,000 indirect. The main thrust of these organisations is to encourage and support their members into becoming very active and articulate participants in the organised private sector. Their continued association amongst themselves will enable them have access to range of good and services within their area of their specialty. A 1997 World Bank procurement study indicated that MSEs cannot afford access to procurement opportunities due to imperfect information. The key remedy recommended for them is active and appropriate networking.

5.6 GAP ANALYSIS

The Federal Government through its agencies and a number of committed international agencies and NGOs are collaborating to ensure an effective MSE take-off in Nigeria. In addition to putting enabling policies in place, a good number of countries have benefited immensely from proper implementation of this initiative. However, despite these laudable intentions, and after a critical assessment of the MSE programme in Nigeria, a number of gaps can still be identified for intervention by the relevant authorities. The World Bank's October 2001 SME Country Mapping for Nigeria dissected the SME programme and identified issues for consideration. Almost all of the gaps we identified had already been addressed in their report.

SUMMARY AND CONCLUSION

Much is expected from the South Western states of Nigeria governments to provide basic social and infrastructures facilities to assist small businesses.

Nigeria's economic terrain is very constraining with the focus being concentrated on the big firms which are constantly downsizing. Business people that fall in the MSE category have frequently accused the banks of providing funding to only their cronies and favoured companies. But the banks have denied such allegation saying that many of the MSEs cannot meet up with bank's requirements.

With services sector having 73.1% investment in number and 64% of values and Lagos-based investment accruing 86.6% of total number and 87.7% of value, the banks are advised to spread their funds wider. Also, the CBN should monitor closely some of the defaulting participating banks in the SMIEIS scheme. On the part of government, policies that promote inward induced investment should be encouraged far and above costly foreign investment drives.

South West Nigeria presents enormous potential and opportunities for both local and foreign entrepreneurs. Many of the sectors required foreseen knowledge, covering technical,

managerial and financial support, to bridge the unacceptably wide demand gap resulting from an ever-increasing population. This has identified an economy besieged by a myriad of problems. These have ranged from maintenance of a market-determine exchange rate and the enhancement of budgetary transparency to addressing long-term; priorities like reducing the unhealthy reliance on oil and giving fresh impetus to the agricultural sector- the main hope for boosting non-oil export — as well as renew the drive for industrialisation. The anticipated increase in domestic and foreign investment following the return to civilian rule has not yet materialised, partly because investors have yet to be convinced of the country's economic turnaround.

To achieve most of these, FGN has begun to address some of the difficulties arresting the development of the enfeeble private sector and is also tackling the problems of a collapsing infrastructure and loss of confidence in the system. Addressing the needs of the micro and small scale enterprises represent a big step towards achieving sustainable economic development driven by a combination of bottom-line sense and sound corporate citizenship. These enterprises will create strong local links and cost-saving for the big multinationals so that they can get inputs for their production locally rather than outsourcing abroad. Another advantage is that small and micro-enterprises make more use of economics resources and generate employment per unit of capital investment.

However, to realise all this effectively, government has to address the problems that impede their success. This has identified several of them, but the key ones are:

(i) Providing an enabling business environment for them to operate.

(ii) Ensuring that they have access to both seed and expansion capital.

(iii) Supporting them through ensuring that they have access to enterprises services

(iv) Providing of information to them for market and product knowledge as well as opportunities to network.

It has also identified nine industries' subsystems where enormous for investment abounds, and which can be profitably exploited. These include food Processing, Textile and Clothing, Leather Products, Rubber Processing, Timber and Wood Processing, Metallic Material Processing and Fabrication, Non-Metallic Processing, Petrochemicals and Pharmaceuticals.

5.7.1 RECOMMENDATIONS

The possible sources of future growth and strategic direction for MSE are:

THE PROVISION OF INFRASTRUCTURE

This is on-going at present with the operation of the companies that provide GSM service and the licensing of new fixed wireless operators. Telephone service will soon go beyond the urban areas. However, water and power supply should be privatised also for the full effect to

be felt. Government needs to establish more industrial estates to encourage new venture into MSE. Finally, all the EPZs should go into full operations to encourage manufacturing and exports.

LEGISLATURE

After several years that the African growth and opportunity Acts (AGOA) was passed by the United States congress, Nigeria's expectation of accessing about US$500 million sales annually from America textile and apparels market is yet to be realised. The bill for this law has been before the National Assembly in Abuja since September 2001. This needs government attention. MSEs Entrepreneurs have to be educated on the policy objectives of the regulations guiding their operation. Also, MSEs have to work closely with SMIDA and other bodies such as NACCIMA, and MAN.

BUSINESS FINANCE

- Work with banks to expedite disbursement to MSEs of the over #6 million collected through December 2001 from the mandatory 10 per cent of bank's PBT set aside for MSE financing.

- Re-institute MSE funding scheme to get participating banks to bear more responsibility.

- Revisits registration procedure and legal status of MSE.

TRAINING/ EDUCATION

- SMIDA to map out relevant training for MSE along technical, accounting, legal, managerial, and marketing lines.

- Industrial development centres to organized follow-up training programs for entrepreneurs.

- Set up new or re-establish the old government technical colleges.

- Design curriculum to be turned to hands-on training

CONSULTANCY

Government to subsidised consulting services for MSE

INFORMATION

* Ensure of information through channels such as the internet, newsletters, etc.

* Provide information exchange where MSE operators can send enquiries, feedback, get answers to frequently asked questions, etc.

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APPENDIX

Questionnaire for Ph.D. Business Administration thesis

1. What is your sex?

a. Male

b. Female

2. What group of enterprise do your business fall into?

a. Micro scale Enterprise

b. Small Scale Enterprise

d. Medium Scale Enterprise.

3. How long have you been in this business?

a. 1 – 5 years

b. 6 – 10 years

c. 11 – 15 years

d. 16 – 20 years

e. 21 years plus

4. Environmental effect on micro and small scale enterprise development.

a. Favourable

b. Undecided

c. Unfavourable

5. Minimum of how much do you need to start this type of business?

a. Less than 100,000 naira

b. 100,000 – 1million

c. Above 1million

6. How much do you need to sustain your business?

c. Within 50,000 – 100,000

d. Within 100,000 – 250,000

e. Above 250,000

7. Does MSE have positive impact on the development of South Western Nigeria Economy.

a. Strongly Agree

b. Agree

c. Undecided

d. Disagree

e. Strongly Disagree

8. Federal Government programs designed by government to boost MSE Survival and Performances are effective in achieving its role.

a. Strongly Agree

b. Agree

c. Undecided

d. Disagree

e. Strongly Disagree

9. There is prospect in MSE in South Western Nigeria.

a. Strongly Agree

b. Agree

c. Undecided

d. Disagree

e. Strongly Disagree

10. Are you satisfied with the returns on your business?

a. Strongly Agree

b. Agree

c. Undecided

d. Disagree

e. Strongly Disagree

11 Do you think that the policies implemented for MSE have a negative effect on the survival of MSE in South Western Nigeria?

a. Strongly Agree

b. Agree

c. Undecided

d. Disagree

e. Strongly Disagree

12. What are the key factors militating against the survival and low performance of your business?