

IMPACTS OF SMALL AND MEDIUM SIZED ENTERPRISES ON POVERTY ERADICATION IN EDO STATE.

KNOWLEDGE FOR SERVICE

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MARCH, 2025.

IMPACTS OF SMALL AND MEDIUM SIZED ENTERPRISES ON POVERTY ERADICATION IN EDO STATE.

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BEING A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF ENTREPRENEURSHIP, FACULTY OF
MANAGEMENT SCIENCES, UNIVERSITY OF BENIN, BENIN CITY IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF THE BACHELOR OF SCIENCE (B.Sc.) DEGREE IN ENTREPRENEURSHIP.

MARCH, 2025

DECLARATION

1. Akere Mary Promise, with Matriculation number MGS2010183, do hereby declare that:

1. This project work is based on a study undertaken by me in the Department of Entrepreneurship. University of Benin, Benin City, under the supervision of DR. Stephen Obeki. O

2. This research work has not been previously submitted for the award of degree elsewhere.

3. All ideas and views are a product of my personal research; and where the views of others have been expressed, they were duly acknowledged.

4. All liabilities arising from the study are entirely mine and not of the supervisor.

AKERE MARY PROMISE.

DATE.

CERTIFICATION

This is to certify that this project work was carried out by AKERE MARY PROMISE with matriculation number MGS2010183 of the Department of Entrepreneurship, Faculty of Management Sciences, University of Benin, Benin City, Nigeria, and is adequate in scope and quality, in partial fulfilment of the requirements for the award of Bachelor of Science (B.Sc.) Degree in Entrepreneurship.

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DEDICATION

I dedicate this project work to God Almighty who has been my pillar, my strength and my help despite every challenge I came across while making this work a success.

ACKNOWLEDGEMENT.

All glory, honour and appreciation to God for life, sound health, provision and strength.

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ABSTRACT

Small and Medium Enterprises (SMEs) are vital for the development of any economy, and possess great potentials for development of indigenous entrepreneurship, employment, poverty eradication, and so on. The purpose of the study was to explore the impact that SMEs has over the eradication of poverty, fostering growth sustainability of nation's economy. Five research questions were poised for the study and five hypotheses formulated in line of the objectives. The research adopted an exploratory survey design using Edo State Environs as a pilot for the study. The target population composed of SMEs owner around the region but the accessible sample size of 100 SMEs was drawn using Taro Yamane Formula. Close-ended questionnaire were designed and administered to the sampled population. Data was collected and analyzed with the aid of Statistical Package for Social Science (SPSS) version 2021; The Z-test technique were adopted to ascertain the relationship and significance of the variables in the research. The result statistically revealed a negative correlation of Z-test result for the hypotheses of 9.6,8.8,58,3.6 and 3.2 respectively. Implying that SMEs has a contribution to eradication of poverty in Edo State, employment opportunities also aid in eradicating povertyand performance of SMEs has a great impact on eradicating poverty. Furthermore, innovation in terms of ideas, new technology and training of employees provides opportunity for SMEs to thrive. Consequently, all findings above lead to an eradication of poverty within Edo State. The study recommends that businesses should always obtain feedback from customers, their staffs should be trained and re-trained, and government should create a peaceful and conducive environment for businesses to thrive. Furthermore, innovation in terms of ideas, new technology and training of employees provides opportunity for SMEs to thrive. Consequently, all findings above lead to a reduction in poverty within Edo State. The study recommends that businesses should be aware of it roles in eradicating poverty and always seek business growth and mentorship, also government should make enabling and peaceful environment, equally creating system for SMEs to thrive and hit the highest peck of nation's economic growth.

CHAPTER ONE

INTRODUCTION.

1.1.BACKGROUND OF THE STUDY.

In the majority of economies, small and medium-sized businesses (SMEs) are extremely important and integral. They are the most important way to describe an economy, particularly in a developing country. Businesses around the world rely on them, and they are a major contributor to the economic development of any country. According to statistics from the Nigeria Bureau of Statistics (NBS) and the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), small and medium-sized enterprises (SMEs) account for 48% of the GDP of developing nations like Nigeria. They also explain 96% of businesses and 84% of employment (Mekwunye, 2018; Olubiyi, 2021; Agbeyi & Omosomi, 2021).

Due to their ability to improve industrial output and human welfare, small and medium-sized enterprises (SMEs) have been generally acknowledged for their contribution to the growth of any economy (Cyril, Dakung & Goyit, 2018; Mazanai & Fatoki, 2021). By boosting industrial output, diversification and expansion and also achieving development goals, SMEs are the main drivers of industrial growth and economic development (Dakung, Orobio, Munene & Balunym 2017, Kritiko, 2014).

Awosika (2011), Schmitz (2010) and Aremu (2010) posited that small scale enterprises provides income, saving and employment generation. They are seen as veritable engines for the development of entrepreneurial capabilities and indigenous technology which will generate employment in the country. The ability of SMEs is judged by the results they can generate, including sustainability, profit, growth, and the eradication of poverty. The SMEs in Nigeria create job opportunities among the low skilled people and therefore hold the key to employment creation and income generation (Maina, 2014; Iorun, 2014; Udoko-Aka, 2015). Small and medium enterprises have made great contributions in eradicating poverty in Nigeria, SMEs are regarded as the engine of economic growth to any nation's development. The main advantage of the sector is its ability to employ at low capital cost.

The Small and Medium Enterprises in Nigeria have performed poorly due to both external factors (such as insufficient capital, lack of credit facilities, insecurities, etc.) and internal factors (such as lack of creative ideas, ineffective and inefficient management, poor strategic planning for expansion e.t.c). These other numerous reasons are the main causes of the rise in poverty in the country with young people being the most affected due to unemployment (Asadu, 2023).

According to Abimuku (2006), poverty is a state of living in which an individual is faced with economic, social, political, cultural, and environmental deprivation. Poverty is a state of

involuntary denial to which an individual, family, society, or country is subject. Bamidele (2010), aptly summarized the definition of poverty in both absolute and relative term as a state where an individual is not able to cater, adequately for his/her basic needs of food, clothing and shelter, meet social and economic obligations, lack gainful employment, skills assets and self-esteem, and has limited access to social esteem and economic infrastructures. The major obstacles to Nigeria's modern development and reconstruction are its poor economic performance (Adams 2021). In addition to the risk and suffering

that determine their survival and even their ability to live on Earth, statistics on poverty records spanning across a number of nations show that around 1.1 billion individuals make less than N1,000 to N1,500 per day (Oba & Onuoha, 2013).

Poverty is the root cause of many social vices that have spread throughout our country, including drug misuse, kidnapping, bribery, prostitution, and theft. It may result in an unwholesome disposition, family issues, depression, health issues, and mental health disturbances.

1.2. STATEMENT OF RESEARCH PROBLEMS.

Scholars have explained that small and medium-sized businesses are a driving force behind any society's growth, particularly in emerging nations like Nigeria (Mekwunye 2018). Due to their critical role in lowering the unemployment rate among the populace, Small and Medium Enterprises (SMEs) in Nigeria have generally gained wide spread acceptance. Their concern for the welfare of the least advantaged and the creation of jobs can therefore result in standards to raise employment levels and labour standards as well as stability in this sector on micro economic and distributional grounds (Anyanwu, 2004). The Nigerian government has started initiatives to increase sustainability in the fight against poverty and economic expansion

Notwithstanding efforts by the government and its constituents to alleviate some of their difficulties by offering grants and funding. Additionally, the study noted that despite government and its agencies intervention, SMEs cease operations as soon as they are established, which is shocking. This demonstrates that SMEs cannot survive on financial support alone. This reaffirms the necessity of this research and study in order to examine how small and medium-sized businesses contribute to the elimination of poverty in Nigeria.

1.3. RESEARCH QUESTIONS.

In the light of the problem above, the following research questions are to be addressed in this study.

These include;

i) To what extent can small and medium enterprises contribute to the eradication of poverty in Edo State?

ii) To what level has employment impacted on poverty eradication in Edo State?

iii) To what level has SMEs performed largely on poverty eradication in Edo State?

iv) What is the effect of SMEs involvement on the performance of poverty eradication in Edo State?

v) What is the effect of SMEs involvement on the performance of poverty eradication in Edo State?

1.4. OBJECTIVES TO THE STUDY,

The presumed objectives of this study is to scrutinize the impact of small and medium enterprises on poverty eradication and economic growth in Edo state, Nigeria.

- i)To examine the extents in which SMEs contributes to the eradication of poverty in Edo State.
- ii)To determine the level in which employment has impacted on poverty eradication in Edo State..
- iii) To evaluate the extent in which SMEs Innovation can affect the level of poverty eradication in Edo State.
- iv)To examine the level of SMEs performance on poverty eradication in Edo State.
- v)To find out the effect of SMEs involvement on the performance of poverty eradication in Edo State.

1.5.HYPOTHESES.

In order to answer the research questions and achieve the objectives, the following hypothesis were here by tested and stated in their null form.

HO¹:- Small and Medium Enterprises has no significant contribution to the eradication of poverty in Edo State.

HO²: Employment opportunities has no significant impact on poverty eradication in Edo State.

HO³-SMEs Innovation has no significant effects on the level of poverty eradication in Edo State.

HO⁴:- SMEs has no significant impact on the performance of poverty eradication in Edo State.

HO⁵-SMEs involvement has no significant effects in addressing poverty in Edo State.

1.6.SCOPE OF THE STUDY.

Examining how small and medium-sized businesses contribute to Nigeria's economic

development and efforts to eradicate poverty is the main focus of the study project. As a case study it will focus on SMEs that have been created in Edo State and the surrounding areas. The researcher suggests using a questionnaire to collect data from the owners of SMEs. The study's scope will cover things like classifying SMEs according to asset size, annual turn over, or personnel count. Additionally, it will go into greater detail about poverty eradication, business growth, and innovation, and it will identify indicators to gauge its progress. The research hi question and objectives will be described, and the research design and methodology will be identified. Primary data from SMEs' owners and secondary data from government reports or academic literature will be used for data collection, and the analysis will examine how SMEs contribute to poverty eradication through indicators such as employment generations, innovation, and SMEs' performance. The study will also discuss the policy implications of

the findings and cite any limitations or obstacles. The conclusion will summarise the key findings and point out possible areas for additional research.

1.7.SIGNIFICANCE TO THE STUDY.

The study will educate the following:-

1) Owners of Small and Medium Businesses. When the study's research is finished, it will be of help to business owners in understanding their strategic responsibilities and relevance in eradicating poverty and promoting economic progress in the country

ii) Researchers: This study will be of significant to academics and researchers in business and management-related fields since it will help provide the pertinent and essential data, exposures, and empirical support for additional research in this area.

iii) This research work will equally portray the usefulness of small and medium enterprises to the rural community in terms of employment. Finally by going through this research work one can enter into SME easily as no law stops anyone from choosing to be his/her own boss.

CHAPTER TWO

LITERATURE REVIEW.

The World Bank has described Nigeria as a contradiction in that the country's high level of wealth contrasts with its poverty rate (Obadan, 2001). According to research on poverty records rating in different countries, approximately 1.1 billion people earn less than N1,000 to N1,500 per day. combined with daily risks and hardships that determine their survival and even existence (Barnes, 2010). Additionally, research by Omadjohwoefe (2011) and USAID (2011) has shown that poverty permeates Nigerian society. The degree of satisfaction among SMEs in Nigeria is quite low (Ihua, 2009).

According to Fatai (2011), the ability of SMEs to function has jeopardised Nigeria's existing hunger, poverty, and unemployment issues. He added that the incapacity of SMEs to offer the several means of promoting economic growth and development the cornerstone of lowering poverty is a regrettable trend. This is supported by Sanni (2009), who examines the documentary problems of SMEs in Nigeria that have been pressing since the country's independence in the 1960s in order to draw attention to this sector through workshops, research, seminars, and studies for its evaluation, significance, and institutionalisation needs.

He continued by saying that since SAP's founding in 1986, the focus has shifted from government-led industrialisation to SMEs as the most likely source of domestic connections for effective growth and development. According to a corresponding perspective, governments have over the years implemented a variety of policies aimed at fostering the growth of SMEs in Nigeria, which are recognised as key players in achieving self-sufficiency, creating jobs, replacing imports, managing local raw materials effectively and efficiently, and contributing to the nation's economic progress.

2.2. SMALL AND MEDIUM ENTERPRISES (SME) CONCEPTS.

According to Abosede (2000), Small and medium-sized businesses provide the door for the development and application of novel or non-existing materials and products. Additionally, it serves as the hub of a country's economic activity and offers the foundation for both economic expansion and the Industrial Revolution. According to Abugu's (2007) perspective on the importance of small businesses in the economy, the participation of small and medium-sized businesses in the Nigeria Third National Development Plan of 1975-1980, it focusses on creating jobs, encouraging local business owners, raising per capita income, promoting balanced regional development, educating the populace, empowering residents, encouraging local businesses, and fostering self-sufficiency. In the form of goods and services, they transform insignificant resources like labour, land, and capital into riches and national income. Additionally, they help increase the nation's Gross National Product (GNP) and Per Capital Income, two crucial indicators for reducing poverty and gauging economic growth (Adelaja, 2003).

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Globally, small and medium-sized businesses (SMEs) are recognised as the engine of expansion. Although the number of employees in SMEs varies by industry, SMEs are companies with staffing levels below specific thresholds (Al-Herwi, 2019). SMEs are generally classified as registered companies with fewer than 250 employees, while this definition still differs from nation to nation (Ardic, Mylenko, & Soltane, 2011). Companies with fewer than 500 employees, for instance, are classified as small firms by the US Business Administration. The European Union's definition of SMEs is based on three additional

metrics in addition to their size. First, it's acceptable for SMEs to employ not more than 250 employees. The second is that a SME's yearly turnover cannot exceed €50 million, and the third is that its financial sheet must not exceed €43 million. According to the Central Bank of Nigeria (CBN), SMEs in Nigeria are defined as businesses with a maximum asset base of N200 million (excluding land and working capital) and a workforce of at least 10 but not more than 300 people (CBN, 2003). But for reporting reasons, the CBN hasn't set this definition of SMEs (Udochukwu, 2003). However, Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) have provided the most widely accepted definition of SMEs in Nigeria and the Nigerian Bureau of Statistics (NBS) due to their double classification (Ogar et al, 2021) as seen below.

Table 1: Definition of SMEs.

Size Category	Employment	Assets(N million) (excluding land and buildings)
Micro Enterprises	Less than 10 employees	Less than N5million
Small-Scale Enterprises	From 10 -49 employees	N5million to less than N50million
Medium-Scale Enterprises	From 50 -199 employees	N50MILLION to less than N500million

Source: SMEDAN and NBS survey Report, 2015.

1) SMES PERFORMANCE:

Small and medium-sized businesses (SMEs) are powerful catalysts for both industrial expansion and overall economic growth (Small one & Wyer, 2000). By guaranteeing the diversity and expansion of industrial production as well as the accomplishment of the fundamental development goals, SMEs are the main drivers of industrial growth and economic development, claim Dakung et al (2017). Small enterprises account for 89% of US exports, 39% of high-tech jobs, and 60% to 80% of net new jobs created in the US each year (Wiklund, 1998). SMEs are the backbone of the economy of the United Kingdom. SMEs in Nigeria account for 48% of the country's GDP over the last five years and 87% of all running businesses(NBS, 2019).

Notwithstanding their contribution, SMEs have performed incompetently in Edo State and throughout Nigeria. The high rate of business death is likely caused by a number of factors. including low capital, a lack of connection between the business world and the promoter,inadequate market knowledge, and a low level of operation. In Nigeria, things are like this. Therefore, the performance of SMEs is examined in this study as a means of eradicating poverty in Edo state. SME performance is a metric that

characterises the health of a small and medium-sized business (SME), which may be influenced by the market in which the SME operates in addition to its efficiency and effectiveness. Performance, according to Taouab & Issor (2019), is an object's capacity to provide outcomes in a dimension that is prioritised, in relation regarding a target. Therefore, having an object whose performance is to be evaluated, a dimension in which one is interested, and a predetermined goal for the outcome are all crucial. The three company performance metrics used in this study are growth, innovation, and poverty eradication.

2) Economic Growth:-

This is a crucial component of a company's performance since it shows how credible the company is at sustaining and expanding its operations (Aigbokhan, 2000). The expansion and profitability of the company are examples of business growth factors. When a company reaches the point where it wants to grow and wants to take action to boost sales, it is said to be growing. It depends on the company's timeframe and the owners' desire to enhance its worth in a better way. Economic expansion is essential for any business that wants to grow. The availability of resources determines economic growth, which frequently necessitates initial investment (Mohammed, 2015). A firm is considered to be growing if it is increasing in one or more areas, such as sales, revenue, profits, corporate value, staff, and clientele. Numerous more benefits encourage business expansion. For instance, increased market dominance, lower costs due to economies of scale, increased buying and bargaining power, increased market sustainability or resilience, the capacity to mitigate commercial risk through diversification, the capacity to mitigate the threat of competition, and the capacity to withstand market downturns and fluctuations, among other things.

3) INNOVATION:

According to Thompson (1965), innovation is the creation, adoption, and use of novel concepts, procedures, goods, and services. For innovative inventions and the development of new markets, it is a crucial process (Cegarra-Navarro, Reverted, Gómez-Melero & Wensley, 2016). To put it another way, innovation is essential to maintaining and improving organisational effectiveness.

Technical and administrative innovation are two approaches to characterise the novelty that innovation brings to the enhancement of goods, services, or procedures. While administrative innovation focusses on better practices, regulations, and organisational structures, technical innovation is concerned with technology, goods, and services. Hui and Chuan (2002) state that establishing a strong vision and mission, creating policies and strategies, managing ethics and values, human development, empowerment, and innovation, as well as ensuring people's well-being through the use of new technologies, suppliers, and business partnerships, as well as offering customer care services and satisfaction, are all potentially crucial components of organisational excellence.

4) POVERTY ERADICATION:

According to Danaan (2018), poverty is a multifaceted notion that aims to quantify the degree of deprivation that an individual, household, or community experiences. To put it another way, it is intricate, multifarious, and multidimensional, and it manifests itself in all spheres of human life-economic, social, political, and environmental. Scholars assert that when new viewpoints emerge in various situations, the way poverty is conceptualised is evolving over time (Danaan, 2018; Bhalla & Lapeyre, 2016; Spicker, Leguizamón, & Gordon, 2007). People who make less than \$1 a day are considered poor by the United Nations Development Programme [UNDP]. The national and state governments of Nigeria have implemented programs to reduce poverty, despite the fact that the number of people living in poverty has continued to rise. Reducing poverty can be defined as raising an individual's or group's income to a level above the poverty line while simultaneously increasing access to economic opportunities, healthcare, education, information, and security of land and tenure, among other related factors. As stated by Adams (2021), It is impossible to lift people out of poverty forever. According to him, reducing poverty is only a short-term solution. The National Poverty Eradication Programme (NAPEP), which serves as a pivot for connections with pertinent stakeholders, ministries, and other government agencies, was established in Edo State to help the government efficiently assure the execution of mandates (Dongkek and Okoye, 2016). SMEs help reduce poverty through expansion, employment creation, and other means.

2.3. HOW SMALL AND MEDIUM SIZED ENTERPRISES (SMES) OPERATE.

The majority of small and medium-sized businesses in Nigeria are sole proprietorships, meaning that just one person owns, manages, and operates them (Mukwounye, 2018). Largest

businesses typically have relatively minimal capital requirements, which makes them simple to launch. It is often run by a family and requires a lot of work. Although the owner is the company's brain, driver, and mover, a small number of staff may be hired to help with day-to-day operations (Patit, 2017).

2.4. CHARACTERISTICS OF SMALL AND MEDIUM SCALE ENTERPRISES.

One of the main features of SMEs in Nigeria is their ownership structure, which mostly revolves on a single person or a family. According to Adeniyi (1981), individual proprietors or partners own the majority of Nigerian SMEs. SMEs in Nigeria, according to Owulah (1999), find it difficult to secure short- or long-term financing via the organised capital market and must instead rely on loans from friends, family, or moneylenders as well as personal savings (Udoma-Akaka, 2015). According to Adegbite (1995), Nigerian SMEs are the foundation upon which the country's economic stability and prosperity are built. In a similar vein, Adeniji (1981) claims that SMES account for more than half of all jobs in Nigeria and are notoriously labour-intensive. According to CBN (2007), SMEs have made significant contributions to the development and prosperity of Nigeria by creating jobs, promoting goods and services, and fostering the expansion of rural areas. The expansion of indigenous entrepreneurship in Nigeria has also been greatly aided by SMEs. Since that time, it has been widely acknowledged that SMEs are the key to accelerating economic growth and ending poverty in emerging nations like Nigeria (Travis, 2016; Alexander, 2005; Onyemere, 2013; Porter, 1997).

2.5. CHALLENGES TO THE DEVELOPMENT OF SMALL AND MEDIUM SCALE ENTERPRISES.

The challenges faced by SMEs globally are very worrisome which hinder its operation towards alleviating or reducing poverty in the country (Chasten and Mangles, 1997; Sule, 2014; Caleman, 2002; Brain & Ostenyeng, 2001; Ogundele, 2012; Afrane, 2002; Adizes, 1979). The following are the constraints faced. It represents the major challenges which can significantly affect the ability of a firm to grow, upgrade its technology, expand its market, and promote its management skills, increase productivity simply to grow and survival in the business environment. (Berger, 2000; Kao, 1982; Hall, 1987; Williamson, 1985; Wiles, 1977; Ogundele & Olayemi, 2015; Cheston & Reed, 1999).

- i) Osuagu (2016) opined that lack of access to finance or loan has been one of the most pervasive obstacles faced by SMEs in both developed and developing countries, primary inhibitors to SMEs development and production in Nigeria. Barry (1978) noted that insufficient start-up capital from the personal savings of an individual and the contribution from friends and relatives still constrained access to institutional finance from the capital market and banks.
- ii) Inadequate infrastructural facilities or deplorable conditions of the available once and it has posed a formidable obstacle to SMEs operations, and hence call for urgent attention by the government (Otokiti, 2002). The obstacle of infrastructure involves inadequate transportation system, shortage of water supply, poor telecommunication system, and lack of electricity to solid waste management. These make businesses to provide expensive parallel infrastructure. These have been a hindrance to the success of SMEs performance in Nigeria (Adelaja, 2003).
- iii) Strategic Planning Problems: SMEs do not carry out strategic planning in their operations properly. Previous study conducted by Wedel (1998) claimed that SMEs lack strategic planning system because well active and sound planning serve as a necessary input for sound decision making for new ventures or existing enterprise to succeed in terms of profits maximization and the rest.
- iv) Multiple Taxation: Abugu (2007) discovered that the manifold and high taxes are considered to be significant factors that cause SMEs' failure in Nigeria. This is the major obstacle faced by given it to tax consultants and agents hired by the governments at all level. There are not honest in their operations, excessive in their assessment and broken heart in their relationship to the production process.
- v) Unfavorable Fiscal Policy: It has been recognized that Government policies and programmes regarding SMEs are inappropriate, inadequate or inconsistent, which inhibit the growth and development of SMEs (Otokiti, 2002). Anyanwu (2003) also state that the SMEs sector in Nigeria has not been thriving mostly due to poor implementation of several government policies as well as frequent policy changes or what they call policy inconsistencies
- vi) Lack of Suitable Training and Leadership Development: Sule (2014) emphasized that Training institution abounds in Nigeria, but they rarely address the relevant needs of SMEs especially in the areas of accounting, marketing, information technology, technological processes and development. SMEs are

left most often on their own to survive amidst the avalanche of operational difficult inherent in the Nigeria environment as well as the operational shortcoming, which characterize institution set up to facilitate small scale enterprises businesses. Some of this organization lacks appropriate skills to operate (Nwaba, 2011)

2.6. SOURCES OF FINANCE TO SMALL AND MEDIUM ENTERPRISES.

Small scale businesses could be financed through the following ways:

i) Savings:-Individuals save money for various motives, individuals can directly set aside unexpended earnings and save indirectly when they pay life assurance premiums or purchase amenities (Bamberger, 1983).

ii) External Borrowing:- An individual who wishes to start a business can borrow or get loan from people or external sources to expand his business. A sole proprietor or partnership may obtain funds by borrowing from a private individual or from micro credit institution(Carland et al, 1994).

iii) Trade Credit: The basic trade credit transaction involves the supplies handling over goods or performing a service without receiving immediate payment in exchange. The customer is expected to pay by some agreed issues.

a) The seller would be unwise to part with goods or perform the services, unless he is satisfied that the customer will indeed pay.

b)The terms of the transaction will include some credit period which is accepted to both parties and to which it would be to the customer advantage to adhere.

c) There must be some sanction, which the suppliers can impose on the customer if he fails to meet the agreed terms.

There are three reasons for the existence of trade credit. They include convenience, cost and loyalty. Trade credit is a permanent sources of loans for worth customers.

2.7. EMPERICAL REVIEW OF SMALL AND MEDIUM SCALE ENTERPRISES.

Usman and Adam (2017) studied the impact of entrepreneurship on poverty reduction, the study reviled that that Entrepreneurship development is a key tool for poverty reduction, stimulating employment and economic growth in developing countries.

Aigboduwa and Oisamoje (2013) examined the historical trend in the development of SMEs in Nigeria and identified several opportunities and competitive advantages now exclusively reserved for Nigerian companies under the Nigerian content Act 2010. The study emphasized the need for access to funding

for development of the capital base of SMEs, and suggested that the Act would offer a turning point in the realization of all the policy trusts formulated for growing SMEs in Nigeria in the future.

In the study of Kadiri (2012) he examined the contributions of (SMEs) to employment generation in Nigeria by providing an analysis of the efficacy of SMEs as a vibrant tool for employment generation. Using Binomial logistic regression analysis as the tool for statistical analysis, the study found that the sector was unable to achieve this goal due to its inability to obtain adequate business finance. It was also observed that virtually all the SMES that were sampled relied on informal sources of finance to start their business. The study therefore recommends the integration of the activities of the formal with that of the informal financial institutions; while the government should urgently provide the needed infrastructure such as roads, water, electricity and the need enabling environment.

Oboro and Ighoroje (2011) examined the problems of financing small scale business enterprises in Nigeria and the way forward. The study identified the sources of finance.

CHAPTER THREE

METHODOLOGY.

This chapter presents a detailed account of how the study will be carried out, while revealing the research methods to be used in the study. This study focuses on the Impacts of SMALL And MEDIUM ENTERPRISES on Poverty Eradication In Edo State, Benin City. It describes the research design, population, sampling technique, research instrumentation method of data collection, validity and reliability of research instrument, and techniques of data analysis.

3.1 Research Design.

Akintoye (2010) state that before a research can venture into a good research there must be a good plan of study in order to make sure that the study produces the data required at the lowest possible cost. Asika (2005) states that research design means the structuring of investigation aimed at identifying variables and their relationship to one another. Thus, the study used a descriptive survey research design to evaluate the role of SMEs in poverty eradication in Edo state. The design adopted for the study was descriptive survey design because it concerned with collecting data and describing systematically the characteristics of small and medium scale enterprises in eradicating poverty and to which extent has SMEs in Edo state helped in poverty eradication.

3.2 Population.

The population in a research statistics can be described as that group about whom conclusions are drawn from (Agbonifoh and Yomere, 1999). It is the target of the study for collection of data because it leads to a well-rounded questionnaire that draws on established research, industry, knowledge and my

research objectives. The Population of the study consists of Supermarkets and minimarts, Pharmaceutical, Boutiques, Fast food/Restaurants, Fashion and Beauty businesses and few selected businesses. Population of the study consists of registered and unregistered businesses in and around Benin-city, Edo-State.

3.3 The Sampling Technique.

Sample and sampling techniques is defined by Nnamdi (1996), as a limited number of elements selected from a population which represents the population. Agu (2007) defines a sample as a group of items or cases chosen from a population so that the most important and relevant attributes of the population are represented in the group. The researcher used the convenience sampling technique. The convenience sampling technique is a non-probability sampling method where the researcher selects units that are generated at ease and convenient to be located. A sample of 100 SMEs owners both registered and unregistered were drawn from the region under this study using the Taro Yamane formular.

3.4 Research Instrumentation.

A manual or physical questionnaire and survey will serves as the study's research tool. The study employed a closed-ended questionnaire to collect primary data. In accordance with the research requirements, it comprises 18 closed-ended questions. The rationale was that closed-ended questionnaires are appropriate for gathering factual information. Respondents were given the questionnaire. They were carefully crafted to ensure they were sufficiently clear and accurate while also avoiding offensive questions. The study objectives, scholarly journals and research institutes, government associations, and pre-existing questionnaires were the sources of my research.

3.5 Method Of Data Collection.

Data were obtained using physical interview and properly structured questionnaire administered to the respondent on the face distribution method. The questionnaire contained multi-choice questions and scaling questions so that the respondents can answer the questions without difficulty and to ascertain opinions, ideas and experiences of the respondents. The researcher collected the completed questionnaire after giving the respondents some time to answer the questions.

3.6 Validity and Reliability of the Research.

The degree to which an instrument measures what it is intended to measure is referred to as validity in this context. An instrument is considered valid if it is set up to accomplish the goal of the study.

A draft of the questionnaire will be distributed to the project supervisor and two additional experts in order to assess its validity. This will be done in order to guarantee that the questions posed can be answered objectively. The Taro Yamane Method is utilised to ascertain the research reliability.

3.7 Method Of Data Analysis.

Under this arrangement, a simple percentage approach will be employed to analyze the questionnaire for the purpose of simplicity. Analysis and interpretation were done using 5-point likert scale question which are as followed respectively in the tables below: To A Very Large Extent (5), To A Large Extent (4), Not Sure (3), To A Low Extent (2), To A Very Low Extent (1). In testing for hypotheses, the Pearson product-moment correlation (r) technique and the z-test statistical tool were adopted to measure the degree of association and significance between variables.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS OF RESULTS.

4.1 Introduction

This chapter includes data analysis and interpretation from the sample size in chapter 3(Methodology). A total of 100 questionnaires were distributed conveniently to the entire respondent and they were all answered and returned representing 100% returns totally. The respondents were selected randomly and conveniently which were drawn from various owners of SMEs in and around the University of Benin, Edo state. The data were carefully analyzed to provide answers to the research questions.

4.2 Data Analysis and Discussion of Findings.

Respondents Bio Data.

Table 1. Sex of the Respondents

Respondents Options	Number of Responses	Percentage, %
Male	38	38.0
Female	62	62.0
Total	100	100.0

Source: Author's Fieldwork, 2025.

The above analysis of the data on sex of respondents shows that males representing 38% and females representing 62%. This reveals that more female entrepreneurs participated in this study than male entrepreneurs.

Table 2. Age range of the respondents.

Response Options	Number of Responses	Percentage %
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Under 18 years	10	10.0
18-25 years	61	61.0
25-40 years	18	18.0
40 years and above	11	11.0
Total	100	100.0

Sources: Author's Fieldwork.2025.

The age range categories has really show that the ranges from age under 18 years represents 10%, age 18-25years represents 61%, age 25-40 years represents 18%, and age 40years and above represents 11%.

Table 3. Marital status of respondents.

Response Options	Number of Responses	Percentage%
Single	61	61.0
Married	39	39.0
Total	100	100.0

Source: Author's Fieldwork, 2025.

The above analysis of data on marital status of respondent shows that singles were representing 61% and married were representing 39%.

Table 4. Educational or academic qualification.

Response Options	Number of Responses	Percentage%
Informal Education	13	13.0
SSCE/NCE/OND	24	24.0
HND/BSC	34	34.0
Master's degree	19	19.0
PHD	10	10.0
Total	100	100.0

Sources: Author's Fieldwork,2025.

The above analysis of data on educational qualifications shows that those with informal education representing 13% SSCE/NCE/OND representing 24%, HND BSC representing 34%, Master's degree representing 19% and those with PHD representing 10%

Table 5. Size of respondents enterprises.

Response Options	Number of Responses	Percentage %
Micro	31	31.0
Small	40	41.0
Medium	20	20.0
Large	9	9.0
Total	100	100.0

Sources: Author's Fieldwork,2025.

The above analysis of data on size of respondents enterprises include: Micro representing 31% Small representing 40%, Medium representing 20% and Large representing 9%.

Table 6. Registration of respondent's enterprises.

Response Options	Number of Responses	Percentage%
Registered	49	49.0
Unregistered	51	51.0
Total	100	100.0

Sources: Author's Fieldwork,2025.

The above analysis of registration of respondents enterprises include: Registered representing 49%, and Unregistered representing 51%.

Table 7. Numbers of employees working in an organization.

Response Options	Number of Responses	Percentage%
Less than 10 employees	64	64.0
10-49 employees	26	26.0
50-199 employees	7	7.0

200 and above employees	3	3.0
Total	100	100.0

Sources: Author's Fieldwork,2025.

The above analysis of data on number of employees working in an organization include: Less than 10 employees representing 64%, 10-49 employees representing 26%, 50-199 employees representing 7% while 200 and above employees representing 3%.

Table 8. Numbers of year's employees have been doing business.

Response Options	Number of Responses	Percentage %
0-2	41	41.0
3-5	37	37.0
6-10	17	17.0
10 years and above	5	5.0
Total	100	100.0

Sources: Author's Fieldwork,2025.

The above analysis of data on how long respondents have been doing business include: 0-2 years representing 41%,3-5 years representing 37%, 6-10 years representing 17% and 10 years and above representing 5%.

Table 9. Respondents Employment status.

Response Options	Number of Responses	Percentage%
Full-time employed	37	37
Part-time employed	52	52
Self employed	7	7
Unemployed	4	4
Total	100	100

Sources: Author's Fieldwork,2025.

The above analysis of data on respondents employment status include: full-time employed representing 37%, Part-time employed representing 52%, self-employed representing 7% and the unemployed representing 4%.

Table 10. Respondents who are currently involved in Small and Medium size Enterprise activities.

Response Options	Number of Responses	Percentage%
Yes, I own an SME	70	70.0
Yes, I work for an SME	28	28.0
No, I am not involved in any SME activities	2	2.0
Total	100	100.0

Sources: Author's Fieldwork,2025.

The above analysis of data of respondents who are currently in Small and Medium size Enterprise activities include: Those who own an SME representing 70%, those who work for an SME representing 28% and those who are not involved in any SME activities representing 2%.

Table 11: Responses on the relationship between Small and Medium sized enterprises and Poverty eradication.

S/N	STATEMENTS	A very large extent	Large extent	Not sure	A very low extent	Low extent
1	To what extent do you believe that SMEs can contribute to poverty eradication in Edo State?	71	27	2	0	0
2	How do you think employment opportunities can contribute to poverty eradication in Edo state?	52	42	4	2	0
3	To what extent do you believe that SMEs have performed well in poverty eradication in Edo state?	36	43	14	7	0
4	What impact do you believe that SMEs have had on the performance of poverty eradication in Edo state?	21	47	24	8	0
5	How effective do you believe that SMEs involvement has been in addressing poverty in Edo state?	29	37	22	11	1

Sources: Author's Fieldwork, 2025.

The above analysis of data of respondent's response on the relationship between Small and

Medium sized enterprises and Poverty eradication include:

I) In table 11 statement number 1, 71% believed that to a very large extent. SMEs has contributed to poverty eradication in Edo State 27% believed that SMEs have contributed to poverty eradication in Edo State to a large extent;2% aren't not sure if SMEs has contributed to

poverty eradication in Edo State:0% believed that SMEs has contributed to poverty eradication in Edo State to a very low extent while 0% believed that SMEs has contributed to poverty eradication in Edo State to a low extent.

II) In table 11 statement number 2, 52% think that to a very large extent, employment opportunities can contribute to poverty eradication in Edo State,42% think that to a large extent, employment opportunities can contribute to poverty eradication in Edo State, 4% were not sure if employment opportunities can contribute to poverty eradication in Edo State,2% thinks that employment opportunities can contribute to poverty eradication in Edo State to a very low extent while 0% thinks that employment opportunities can contribute to poverty eradication in Edo State.

III) In table 11 statement number 3,36% believed that SMEs has performed well in poverty eradication in Edo State to a very large extent, 43% believed that SMEs has performed well in poverty eradication in Edo State to a large extent, 14% were not sure if they believed that SMEs has performed well in poverty eradication in Edo State, 7% believed that SMEs has performed well in poverty eradication in Edo State to a very low extent while 0% believed that SMEs has performed well in poverty eradication in Edo State to a low extent.

IV) In table 11 statement number 4,21% thinks that SMEs have had an impact on the performance of poverty eradication in Edo State to a very large extent, 47% thinks that SMEs have had an impact on the performance of poverty eradication in Edo State to a large extent, 24% were not sure if SMEs have had an impact on the performance of poverty eradication in Edo State, 8% thinks that SMEs have had an impact on the performance of poverty eradication in Edo State to a very low extent, while 0% thinks that SMEs have had an impact on poverty eradication in Edo State to a low extent.

V) In table 11 statement number 5,29% believed that SMEs involvement has been effective in addressing poverty in Edo State to a very large extent.37% believed that SMEs involvement has been effective in addressing poverty in Edo State to a large extent,22% were not sure if SMEs involvement has been effective in addressing poverty in Edo State, 11% believed that SMES involvement has been effective in addressing poverty in Edo State to a very low extent, while 1% believed that SMEs involvement has been effective in addressing poverty in Edo State to a low extent.

Table 12: Response of respondents on what they think is the main barriers to poverty eradication in Edo State

Response Options	Number of Responses	Percentage%
Lack of access to funding	57	57.0
High business costs	17	17.0
Lack of infrastructure	12	12.0
Limited market access	14	14.0
Others	0	0.0
Total	100	100.0

Sources: Author's Fieldwork,2025.

The above analysis of data of respondents response on what they think are the main barriers to SMEs contributing effectively to poverty eradication in Edo State include: Those who choose lack of access to funding representing 57% those who choose high business costs representing 17%, those who choose lack of infrastructure representing 12%, those who choose limited market access representing 14% while those who choose others representing 0%.

Table 13: Response of respondents who think which is the best policy or initiatives could help SMEs to contribute more effectively to poverty eradication in Edo State.

Response Options	Number of Responses	Percentage%
Greater government support for SMEs	24	24.0
Increased access to funding	42	42.0
Improved infrastructure	24	24.0
More effective business training	10	10.0
Others	0	0
Total	100	100 0

Sources: Author's Fieldwork,2025.

The above analysis of data of respondents response on the best initiatives that could help to contribute more effectively to poverty eradication in Edo State include: Those who choose greater government support for SMEs representing 24%, those who choose Increased access to funding representing 42%, those who choose improved infrastructure representing 24%, those who choose more effective business training and support representing 10% while those who choose others representing 0%.

Table 14: Respondents response on the most effective way to address poverty in Edo State.

Response Options	Number of Responses	Percentage%
Government initiatives	23	23.0
Private sector initiatives	18	18.0
Community initiatives	5	5.0
A combination of all of the above	54	54.0
Total	100	100.0

Sources: Author's Fieldwork, 2025.

The above analysis of data of respondents response on the most effective way to address poverty in Edo State include: Those who choose government initiatives representing 23%, those who choose private sector initiatives representing 18%, those who choose community initiatives representing 5%, while those who choose combination of all of the initiatives representing 54%.

4.3. Testing of Hypotheses.

In this section, the data collected are used to test the hypotheses, which were formulated earlier in chapter one. In practice, there are several statistical techniques available for testing hypothesis. However, for the purpose of this research work the Z-test statistical tool was adopted to measure the degree of association and significance between variables.

Hypothesis one:

Ho¹: Small and Medium Enterprises has no significant contribution to the eradication of poverty in Edo State.

HA: Small and Medium Enterprises have a significant contribution to the eradication of poverty in Edo State

Table 15. Responses on SMEs significant contribution to the eradication of poverty in Edo State

S/N	Number of Positive Responses	Number of Neutral Responses	Number of Negative Responses	Total
1	98	2	0	100

Total	98 (98%)	2 (2%)	0 (0%)	100
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Source: Author's Fieldwork,2025.

Table 9 shows that:

$$P=98 = 98\%$$

$$P_o=0.5$$

$$n=100$$

$$Z= \frac{P-P_o}{\sqrt{P_o(1-P_o)/n}}$$

$$Z = \frac{(0.98 - 0.5)}{\sqrt{(0.5(1 - 0.5) / 100)}}$$

$$Z = \frac{0.48}{\sqrt{(0.25) / 100}}$$

$$Z = 0.48/0.05$$

$$Z \approx 9.6$$

Decision: Since the computed Z result of 9.6 is greater than its critical value of 1.96 we reject the Ho (Null Hypothesis) which states SMEs does not have a significant contribution to the eradication of poverty in Edo state, and accept the alternative hypothesis which states that SMEs have significant contribution to the eradication of poverty in Edo State.

Hypothesis two:

Ho²: Employment opportunity has no significant impact on poverty eradication in Edo State.

HA: Employment opportunities have a significant impact on poverty eradication in Edo State.

Table 16. Responses on the Impact of SMEs Performance on poverty eradication

S/N	Number of Positive Responses	Number of Neutral Responses	Number of Negative Responses	Total
1	94	4	2	100
Total	94 (94%)	4 (4%)	2 (2%)	100

Source: Author's Fieldwork, 2025.

Table 9 shows that;

$$P=94 = 94\%$$

$$P_o= 0.5$$

$$n=100$$

$$Z= P-P_o \div (\sqrt{P_o(1-P_o)})/n$$

$$Z= 0.94 -0.5 \div (\sqrt{0.5(10.5)})/100$$

$$Z= 0.44 \div \sqrt{0.25}/100$$

$$Z = 0.44 \div 0.05$$

$$Z \approx 8.8$$

Decision: Since the computed Z result of 8.8 is greater than its critical value of 1.96 we reject the Ho (Null Hypothesis) which states employment opportunities has no significant impact on poverty eradication in Edo state, and accept the alternative hypothesis which states that employment opportunities have a significant impact on poverty eradication in Edo State.

Hypothesis three:

Ho³: SMEs Innovation has no significant effects on the level of poverty eradication in Edo State.

HA: SMEs Innovation have a significant effect on the level of poverty eradication in Edo State.

Table 17. Responses on the Impact of SMEs Performance on poverty eradication.

S/N	Number of Positive Responses	Number of Neutral Responses	Number of Negative Responses	Total
1	79	14	7	100
Total	79 (79%)	14 (14%)	7 (7%)	100

Source: Author's Fieldwork, 2025.

Table 9 shows that;

$$P=79 = 79\%$$

$$P_o=0.5$$

$$n = 100$$

$$Z = \frac{P - P_o}{\sqrt{P_o(1 - P_o)/n}}$$

$$Z = \frac{0.79 - 0.5}{\sqrt{0.5(1 - 0.5)/100}}$$

$$Z = \frac{0.29}{\sqrt{0.25/100}}$$

$$Z = 0.29 \div 0.05$$

$$Z \approx 5.8$$

Decision: Since the computed Z result of 5.8 is greater than its critical value of 1.96 we reject the H_o (Null Hypothesis) which states that SMEs innovation has no significant effect on the level of poverty eradication in Edo state, and accept the alternative hypothesis which states that SMEs Innovation have a significant effect on the level of poverty eradication in Edo State.

Hypothesis four:

H_o^4 : SMEs has no significant impact on the performance of poverty eradication in Edo State.

H_A : SMEs have a significant impact on the performance of poverty eradication in Edo State.

Table 18. Responses on the Impact of SMEs Performance on poverty eradication

S/N	Number of Positive Responses	Number of Neutral Responses	Number of Negative Responses	Total
1	68	24	8	100
Total	68 (68%)	24 (24%)	8 (8%)	100

Source: Author's Fieldwork, 2025.

Table 9 shows that;

$$P = 68 = 68\%$$

$$P_o = 0.5$$

$$n = 100$$

$$Z = \frac{P - P_o}{\sqrt{P_o(1 - P_o)/n}}$$

$$Z = \frac{0.68 - 0.5}{\sqrt{0.5(1 - 0.5)/100}}$$

$$Z = \frac{0.18}{\sqrt{0.25/100}}$$

$$Z = 0.18 \div 0.05$$

$Z \approx 3.6$

Decision: Since the computed Z result of 3.6 is greater than its critical value of 1.96 we reject the H_0 (Null Hypothesis) which states SMEs has no significant impact on the performance of poverty eradication in Edo State, and accept the alternative hypothesis which states that SMEs have a significant impact on the performance of poverty eradication in Edo State.

Hypothesis five:

H_0^5 : SMEs involvement has no significant effects in addressing poverty in Edo State.

H_A : SMEs involvement have a significant effect in addressing poverty in Edo State.

Table 19. Responses on the Impact of SMEs Performance on poverty eradication.

S/N	Number of Positive Responses	Number of Neutral Responses	Number of Negative Responses	Total
1	66	22	12	100
Total	66 (66%)	22 (22%)	12 (12%)	100

Source: Author's Fieldwork, 2025.

Table 9 shows that;

$$P=66=66\%$$

$$P_o = 0.5$$

$$n=100$$

$$Z = \frac{P - P_o}{\sqrt{P_o(1 - P_o)/n}}$$

$$Z = \frac{0.66 - 0.5}{\sqrt{0.5(1 - 0.5)/100}}$$

$$Z = \frac{0.16}{\sqrt{0.25/100}}$$

$$Z = \frac{0.16}{0.05}$$

$$Z = \frac{0.1575}{0.025}$$

$$Z \approx 3.2$$

Decision: Since the computed Z result of 3.2 is greater than its critical value of 1.96 we reject the H_0 (Null Hypothesis) which states SMEs involvement has no significant effect in addressing poverty in Edo State, and accept the alternative hypothesis which states that SMEs involvement have a significant effect in addressing poverty in Edo State.

4.3 Discussion of Findings

This research work discovered that there is a significant contribution of SMEs to the eradication of poverty in Edo states. This was demonstrated by the results of the Z-test suggesting that most of the SME owners responded positively and some were not sure that SMEs has a significant contribution to the eradication of poverty in Edo state and there were no negative responses.

Secondly, the result of the Z-test shows that an employment opportunity has a significant impact on poverty eradication in Edo State. From the data collected and analyzed, most of the SME owners responded positively and some were not sure that an employment opportunity has a significant impact on poverty eradication in Edo State and few negative responses.

Thirdly, the result of the Z-test shows that SMEs performance has an impact on poverty eradication in Edo State. From the data collected and analyzed, most of the SME owners responded positively and some were not sure that SMEs Innovation has a significant effect on the level of poverty eradication in Edo State, and few negative responses.

Fourthly, the result of the Z-test shows that SMEs has a significant impact on poverty eradication in Edo State, from the data collected and analyzed, most of the SME owners responded positively and some were not sure that SMEs has a significant impact on the performance of poverty eradication in Edo State, and a few negative response.

Finally, the result of the Z-test shows that SMEs involvement has a significant effect in addressing poverty in Edo State, from the data collected and analysed, most of the SMEs owners responded positively, and some were not sure that SMEs involvement has a significant effect in addressing poverty in Edo State, and a few negative response

In conclusion, through creative approaches and job opportunities, it was found that SMEs function well and thus, produce constructive means of alleviating poverty For SMEs, innovation in concepts means the application of new technology, and employee training offers a wealth of potential. The study discovered that skilled workers can reduce poverty and that their performance improves a country's economy overall. Trained workers are also more likely to be creative and innovative

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction.

This chapter presents the summary of the study findings, the conclusion, and recommendations. It investigates the impacts of Small and Medium sized Enterprises on Poverty Eradication in Edo State.

5.2 Summary of findings.

The summary of the research findings are presented below and the Z-test statistics supports on the fact that:

1. Small and Medium Enterprises have a significant contributions to the eradication of poverty in Edo State.
2. Employment opportunities have a significant impact on poverty eradication in Edo State.
3. SMEs Innovation have a significant effects on the level of poverty eradication in Edo State.
4. SMEs have a significant impact on the performance of poverty eradication in Edo State.
5. SMEs involvement have a significant effect in addressing poverty in Edo State.

5.3 Conclusion.

Edo State's efforts to eradicate poverty are significantly and in many ways impacted by small and medium-sized businesses (SMEs). SMEs enable people to escape the cycle of poverty by generating employment, encouraging local entrepreneurship, and propelling economic growth. In addition to offering direct job opportunities, they also support financial independence, skill development, and inclusive economic growth, especially in underprivileged or marginalised communities. By encouraging sustainable practices, expanding market access, and fostering innovation, SMEs contribute to the growth of local economies.

However, in order to reach their full potential SMEs need enabling conditions including favourable regulations, infrastructure, training, and reasonably priced finance. To solve the issues encountered by SMEs and guarantee their success, governments, development agencies, and the private sector must cooperate. In the end, we can clear the path for long-term social and economic advancement by investing in SMEs and fostering an environment that encourages their expansion.

5.4 Recommendations.

Based on these empirical findings made, the following recommendations are suggested;

1. Encouraging Local Entrepreneurship:

Governments and development organizations should create programs to encourage and support local entrepreneurship, particularly in disadvantaged communities.

2. Access to Financial Support and Microfinancing:

Increase access to affordable financing options for SMEs, including microloans and grants, particularly for women, youth, and marginalized groups.

3. Skills Development and Capacity Building:

Offer training programs to build essential skills for running a business, such as financial literacy, marketing, and leadership, especially for individuals from low-income backgrounds.

4. Promote Inclusive Growth:

Implement policies that encourage SMEs to hire locally, particularly in economically vulnerable areas, and provide equal opportunities to people from marginalized communities (e.g., women, persons with disabilities, etc.).

5. Strengthening Supply Chains and Local Markets:

Support SMEs to integrate into larger supply chains, which can help boost their competitiveness. create new opportunities for small businesses, and increase local production and consumption.

6. Fostering Innovation and Sustainable Practices

Encourage SMEs to adopt innovative, sustainable business practices, such as environmentally-friendly solutions and social entrepreneurship.

7. Government Policy and Legal Frameworks:

Create favorable regulatory frameworks that ease the burden of taxation, compliance, and other legal constraints on SMEs.

In conclusion, These recommendations collectively aim to support the growth and sustainability of SMEs, recognizing their significant role in poverty eradication and economic development. They also emphasize the need for collaboration between SME owners, government, and financial institutions to create an enabling environment for SMEs to thrive and hit the highest peak of nation's economic growth.

SMEs are often the backbone of emerging economies, and they have a unique potential to drive poverty eradication by creating jobs, fostering economic development, and empowering local communities. Governments, international organizations, and the private sector need to work together to create an environment that nurtures SMEs and provides them with the resources they need to succeed.

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APPENDIX

Dear Sir/Madam,

Thank you for agreeing to participate in this survey. I AKERE MARY PROMISE a student of UNIVERSITY OF BENIN, from the department of ENTREPRENEURSHIP is carrying out a research which is being conducted as part of my project aimed at understanding the "IMPACT OF SMALL AND MEDIUM ENTERPRISES (SMEs) ON POVERTY ERADICATION IN EDO STATE". Your responses will help me to gain a better understanding of how SMEs contribute to poverty eradication, and how they can be more effective in doing so. The survey should take approximately 10 minutes to complete. All responses will be kept confidential and anonymous. Thank you for your valuable time and insight.

PLEASE INDICATE WITH THE ✓ in each boxes to mark your correct answer.

SECTION A: Demographic Data of Respondent

1. Sex: Male [] Female [].
2. Age: Under 18 years [], 18-25 years [], 25-40 years [], 40 years and above []
3. Marital Status: Single [], Married []
4. Educational Qualification: Informal Education [], SSCE/NCE/OND [], HND/ BSc.[], Master's Degree [], PhD[]
5. Size of Enterprise: Micro [], Small [], Medium [], Large [].
6. Registered [] or Unregistered []
7. How many employees are currently working in your organization? Less than 10 [], 10-49[],50-199 [], 200 and above []
8. How long have you been doing business? 0-2 years []3-5 years []6-10years []10years and above [].
9. What is your current employment status? Full-time employed [] Part-time employed[] self employed[] Unemployed[]
10. Are you currently involved in any small and medium-sized enterprise (SME) activities? Yes,I own an SME[] Yes, I work for an SME[] No, I am not involved in any SME activities[]

SECTION B:Kindly answer appropriately to the extent you understand each question or statement.

11). To a very large extent, To a large extent, Not sure, To a low extent, To a very low extent.

S/N	QUESTIONS	To a very large extent	To a large extent	Not sure	To a low extent	To a very low extent
	To what extent do you believe that SMEs can contribute to poverty eradication in Edo State ?					
	How do you think employment opportunities can contribute to					

poverty eradication in Edo State?						
To what extent do you believe that SMEs have performed well in poverty eradication in Edo state?						
What impact do you think SMEs have had on the performance of poverty eradication in Edo state?						
How effective do you believe SMEs involvement has been in addressing poverty in Edo State?						

12. What do you think are the main barriers to SMEs contributing effectively to poverty eradication in Edo State? Lack of access to funding[☐] High business costs[☐] Lack of infrastructure[☐] Limited market access[☐] Others (please specify below)

13. What policies or initiatives do you think could help SMEs to contribute more effectively to poverty eradication in Edo State? Greater government support for SMEs[☐] Increased access to funding[☐] Improved infrastructure[☐] More effective business training and support[☐] Others

14. What, in your opinion, is the most effective way to address poverty in Edo State? Government initiatives[☐] Private sector initiatives[☐] Community initiatives[☐] A combination of all of the above[☐].

Thank you for your participation in this study!