



## SMALL SCALE ENTERPRISES AND THEIR CONTRIBUTIONS TO SOCIO-ECONOMIC DEVELOPMENT IN ASABA, DELTA STATE, NIGERIA

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### **Abstract**

This study examined small scale enterprises and their contributions to socio-economic development in Asaba, Delta State, Nigeria. No doubt, like in Nigeria as a whole, the contribution of small-scale enterprises to socio-economic development in Asaba, Delta State is a significant issue that requires attention. Despite the importance of small-scale enterprises in driving economic growth and development, it is safe to infer that small scale enterprises in Asaba face numerous challenges that hinder their ability to contribute effectively to socio-economic development such as limited access to finance, inadequate infrastructure, and a lack of skilled manpower, among others. To guide the study, three research objectives and hypotheses were formulated. This in effect enabled the researcher to draw up the questionnaire used in the collection of data for the study. This study adopted the cross sectional research design using the survey method to obtain relevant information from fifty (50) respondents drawn from the population of the study, using the research questionnaire. Data collected was analysed using simple percentage and chi-square statistical tools and came out with the following findings; there is significant relationship between small scale enterprises and socio-economic development, there is significant relationship between small scale enterprises and employment generation as well as there is significant relationship between small scale enterprises and reduction of poverty levels in Asaba, Delta State. From the findings ascertained, the researcher recommends that; the Delta State Government should continue to support small-scale enterprises by providing accessible funding options, such as the N1 billion SME fund with single-digit interest rates, to boost local economic growth and empower small businesses, the government should prioritize infrastructure development, including power supply, road networks, and telecommunication facilities, to create an enabling environment for small-scale enterprises to thrive among others.

**Keywords:** Development, Small-scale-enterprise, Socio-economic& Empowerment

### **Introduction**

Small-scale enterprises (SSEs) have long been considered a critical component of the socio-economic development of countries, particularly in developing economies like Nigeria. These enterprises, typically characterized by their small size in terms of capital, workforce, and production capacity, play an important role in job creation, poverty reduction, and fostering economic diversification. In Nigeria, where large-scale industries are often concentrated in urban centers, small-scale enterprises provide a substantial part of employment, especially in rural areas, and contribute significantly to the nation's economic growth (Akinyemi, 2021). Their significance is not only in terms of direct economic output but also in the way they provide an avenue for individual entrepreneurship and the empowerment of various groups, particularly women and youth, who may otherwise have limited access to formal employment opportunities (Oni, 2023).



The role of small-scale enterprises in driving socio-economic development in Nigeria cannot be overstated. These enterprises, which are often characterized by their small size, limited resources, and local focus, have been recognized as a vital component of the country's economic landscape (Adebusuyi, 2022). According to the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), small-scale enterprises account for over 90% of all businesses in Nigeria, providing employment for millions of people and contributing significantly to the country's Gross Domestic Product (GDP) (SMEDAN, 2023).

The importance of small-scale enterprises in Nigeria's socio-economic landscape has been widely recognized by policymakers. With the Nigerian economy heavily reliant on oil exports, the diversification of the economy through the support and growth of small-scale businesses has become an urgent priority. These businesses help to alleviate the challenges posed by overdependence on oil, by providing goods and services that meet local demand while fostering innovation and improving the standard of living of the people (Olufunke, 2023). In addition, small-scale enterprises help stimulate economic activities in various sectors, including agriculture, manufacturing, and services, thereby contributing to the overall development of the Nigerian economy (Uzochukwu & Okafor, 2023).

The role of small-scale enterprises in the Nigerian economy has been further emphasized through government policies aimed at promoting entrepreneurship. Various initiatives, such as the establishment of small and medium enterprise (SME) development banks, the implementation of tax reliefs, and access to funding, have been put in place to improve the competitiveness of small-scale businesses (Adebayo, 2023). However, despite these efforts, small-scale enterprises in Nigeria continue to face numerous challenges, including inadequate access to finance, poor infrastructure, regulatory bottlenecks, and insufficient technical know-how (Okafor & Afolabi, 2021). These challenges hinder their potential to contribute more effectively to economic development.

Despite these constraints, small-scale enterprises have demonstrated resilience, as they continue to play a crucial role in Nigeria's economic activities. Their contribution to employment generation, poverty reduction, and socio-economic stability cannot be overemphasized. However, there is a need for more empirical research on how these enterprises can be better supported to achieve their full potential in driving sustainable socio-economic development in the country. Understanding the dynamics of small-scale enterprises and the factors that affect their success can provide critical insights for improving policies and strategies that promote entrepreneurship in Nigeria (Adeyemi & Iyiola, 2021).

In other words, small-scale enterprises in Nigeria serve as engines of socio-economic growth, helping to provide employment, reduce poverty, and promote local economic development. Despite their potential, the challenges they face in the Nigerian business environment continue to limit their ability to contribute optimally to the country's economic development. Hence, there is a need for continued research and policy interventions to create an enabling environment for the growth of small-scale enterprises, ensuring that they continue to make meaningful contributions to the socio-economic development of Nigeria as a whole.

### **Statement of the Problem**

No doubt, like in Nigeria as a whole, the contribution of small-scale enterprises to socio-economic development in Asaba, Delta State is a significant issue that requires attention. Despite the importance of small-scale enterprises in driving economic growth and development, it is safe to infer that small scale enterprises in Asaba face numerous challenges that hinder their ability to contribute effectively to socio-economic development. The challenges include limited access to finance, inadequate infrastructure, and a lack of skilled manpower, among others. As a result, the potential of small-scale enterprises to drive socio-economic development in Asaba



remains untapped. The enterprises are unable to create jobs, stimulate economic growth, and improve living standards by reducing poverty levels which are essential for socio-economic development.

There is a dearth of empirical research on the specific contribution of small-scale enterprises to socio-economic development in Asaba, Delta State in Nigeria. Most studies on small-scale enterprises in Nigeria have focused on the challenges facing these enterprises, with little attention paid to their specific contribution to socio-economic development in Asaba. This study aims to fill this research gap by examining the contribution of small-scale enterprises to socio-economic development in Asaba, Delta State in Nigeria. It is against this backdrop that this research analyse small scale enterprises and its contribution to socio-economic development in Asaba, Delta State, Nigeria.

The broad objective of this study is to ascertain small scale enterprises and its contribution to socio-economic development in Asaba, Delta State, Nigeria while the specific objectives are to;

- i. Determine the relationship between small scale enterprises and socio-economic development of Asaba, Delta State
- ii. Ascertain the relationship between small scale enterprises and employment generation in Asaba, Delta State
- iii. Examine the relationship between small scale enterprises and reduction of poverty levels in Asaba, Delta State

### **Research Hypotheses**

The following hypotheses were formulated to guide this study;

- i. There is no significant relationship between small scale enterprises and socio-economic development of Asaba, Delta State
- ii. There is no significant relationship between small scale enterprises and employment generation in Asaba, Delta State
- iii. There is no significant relationship between small scale enterprises and reduction of poverty levels in Asaba, Delta State

### **Significance of the study**

This research will be of immense benefit a wide range of stakeholders. Firstly, the small-scale enterprise owners and operators in Asaba will benefit from this research as it will provide them with valuable insights into the challenges and opportunities facing their businesses. This will enable them to develop strategies to overcome the challenges and take advantage of the opportunities, leading to improved business performance and contribution to socio-economic development.

The government of Delta State will also benefit from this research as it will provide them with empirical evidence on the contribution of small-scale enterprises to socio-economic development in the state. This will enable them to develop policies and programs that support the growth and development of small-scale enterprises, leading to improved socio-economic outcomes for the state.

The people of Asaba and Delta State will also benefit from this research as it will provide them with improved access to goods and services, employment opportunities, and increased economic activity. This will lead to improved living standards, reduced poverty, and improved socio-economic development outcomes.

Furthermore, researchers and academics will benefit from this research as it will contribute to the existing body of knowledge on small-scale enterprises and socio-economic development. This will enable them to develop new theories, models, and frameworks that can be used to



understand and explain the complex relationships between small-scale enterprises and socio-economic development.

In addition, policymakers and development agencies will benefit from this research as it will provide them with valuable insights into the role of small-scale enterprises in driving socio-economic development. This will enable them to develop effective policies and programs that support the growth and development of small-scale enterprises, leading to improved socio-economic outcomes for Nigeria as a whole.

## **Literature Review**

### **Concept of Small-Scale Enterprises**

Small scale enterprises (SSEs) are a critical segment of the global economy, particularly in developing countries where they serve as a major source of employment, innovation, and economic development. These enterprises are typically characterized by their limited scale of operations, modest capital investment, and a small workforce. The exact definition of small scale enterprises varies across countries and institutions, often depending on factors such as the number of employees, annual turnover, and capital base. In Nigeria, for instance, the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) defines small scale enterprises as businesses that employ between 10 and 49 people and have assets excluding land and buildings ranging from ₦5 million to ₦50 million (SMEDAN, 2021).

Small scale enterprises play a pivotal role in the socio-economic development of nations. They are engines of job creation and poverty alleviation, especially in regions with high unemployment rates. According to Adebisi and Gbegi (2023), small scale enterprises contribute significantly to the Gross Domestic Product (GDP) and enhance income distribution through the economic opportunities they provide to marginalized and underserved populations. Furthermore, SSEs foster entrepreneurship, stimulate competition, and enhance the adaptability and resilience of the economy to external shocks.

The development of small scale enterprises is also vital for industrialization and rural development. These enterprises often utilize local resources and employ indigenous technology, which supports sustainable development and reduces reliance on imported goods and services. As noted by Ogujiuba, Ohuche, and Adenuga (2022), the promotion of SSEs can reduce urban migration by creating employment opportunities in rural and semi-urban areas, thereby supporting balanced regional development.

However, despite their importance, small scale enterprises face numerous challenges that hinder their growth and sustainability. These challenges include inadequate access to finance, poor infrastructure, limited managerial and technical skills, and unfriendly regulatory environments. Olowe, Moradeyo, and Babalola (2023) highlight that financial constraints are the most critical barrier faced by SSEs in Nigeria, as many financial institutions consider them high-risk clients and are reluctant to provide credit. Additionally, the lack of adequate training and business support services further exacerbates their vulnerability.

In response to these challenges, governments and development agencies have implemented various policies and programs to support small scale enterprises. These initiatives include access to microcredit, capacity building, tax incentives, and the establishment of enterprise development centers. The Nigerian government, for instance, has launched the National Enterprise Development Programme (NEDEP) aimed at building the capacity of micro, small, and medium enterprises across the country (SMEDAN, 2021).

### **Types of Small Scale Enterprises**

Small scale enterprises (SSEs) represent a diverse and dynamic segment of the economy, playing a vital role in promoting economic growth, employment, and innovation, especially in developing countries. These enterprises vary in form, function, and sectoral



engagement, and are typically classified based on the nature of the business activities they perform. Understanding the types of small scale enterprises is essential for effective policy-making, resource allocation, and the provision of support services tailored to their unique operational needs.

One of the major classifications of small scale enterprises is based on the sector of operation, which broadly includes manufacturing, trading, and service-oriented businesses. Manufacturing-based small scale enterprises are involved in the production or fabrication of goods. These enterprises often use locally sourced raw materials to produce finished or semi-finished products. According to Ebitu, Glory, and Alfred (2021), manufacturing SSEs are crucial to industrial development as they contribute significantly to value addition, technology acquisition, and employment generation, especially in semi-urban and rural areas.

Trading enterprises, on the other hand, are engaged in buying and selling goods. These businesses play a critical role in the distribution chain, linking producers with consumers. They include retail shops, kiosks, and petty trading ventures which are common in many urban and rural communities. Trading SSEs often require less capital investment and fewer technical skills, making them more accessible to a wide segment of the population, particularly women and youth (Ariyo, 2022). Their contribution to the informal economy and local commerce cannot be overstated, as they help stimulate economic activities at the grassroots level.

Service-oriented small scale enterprises offer intangible products such as hospitality, education, transportation, ICT, beauty, and maintenance services. These enterprises cater to the growing demand for services in both urban and rural areas. According to Olutunla (2021), service-based SSEs have witnessed rapid growth due to increasing urbanization, changing lifestyles, and the expansion of the middle class in developing economies. They also tend to be more resilient to economic downturns, as many services remain essential even in difficult times.

Agricultural small scale enterprises form another important category, particularly in countries like Nigeria where agriculture remains a major component of the economy. These include small farms, agro-processing ventures, and fisheries. These enterprises support food security and rural employment, and are often family-run or community-based. Oboh and Ekpebu (2021) noted that agricultural SSEs contribute significantly to rural livelihoods and are essential for the development of agro-industrial linkages.

Furthermore, professional and cottage industries represent additional types of small scale enterprises. Professional SSEs are run by individuals with specific expertise such as law, accounting, or architecture. Cottage industries, meanwhile, are home-based businesses typically involved in handicrafts, textile weaving, or food processing. These enterprises are deeply rooted in local culture and traditions and provide employment opportunities in remote areas with limited industrial infrastructure.

### **Concept of Socio-Economic Development**

Socio-economic development is a multidimensional concept that encompasses improvements in both the social and economic well-being of individuals and communities. It involves the process through which a society progresses by enhancing living standards, reducing poverty, ensuring equitable distribution of resources, and fostering inclusive growth. Unlike economic development, which focuses primarily on the growth of a country's economy measured by indicators such as Gross Domestic Product (GDP), socio-economic development considers the broader impact of economic progress on social structures, cultural norms, and the general quality of life of a population (Todaro & Smith, 2020).

At the heart of socio-economic development is the recognition that economic growth alone is insufficient for achieving meaningful and sustainable progress. Human development, including access to education, healthcare, employment, and political participation, is essential for the overall transformation of societies. As Sen (1999) argues, development must be assessed



not just by economic gains but by the expansion of people's freedoms and capabilities. This perspective positions individuals as both the agents and beneficiaries of development, emphasizing empowerment, equity, and social justice.

Socio-economic development is closely linked to the structural transformation of economies. In developing countries, this often involves the transition from agriculture-based economies to more diversified ones with robust manufacturing and service sectors. According to Seers (2023), the goals of development should include reducing poverty, unemployment, and inequality, three core issues that reflect the social dimensions of economic growth. As countries develop, they aim to provide better social infrastructure such as schools, hospitals, roads, and sanitation, all of which contribute to improved human welfare.

In addition, socio-economic development has a strong connection to policy implementation and governance. Effective institutions, inclusive policies, and transparent governance mechanisms are crucial for fostering development that benefits all segments of the population. As pointed out by Acemoglu and Robinson (2022), inclusive political and economic institutions create an environment where individuals can innovate, participate, and contribute meaningfully to economic activities, thereby enhancing overall development outcomes.

Furthermore, the concept of socio-economic development takes into account the importance of environmental sustainability and cultural heritage. Modern development paradigms recognize that long-term progress must not come at the expense of ecological degradation or cultural erosion. The United Nations' Sustainable Development Goals (SDGs) reflect this holistic understanding by integrating social, economic, and environmental objectives into a unified framework for global development (United Nations, 2020).

In many African countries, including Nigeria, socio-economic development has become a central policy focus, given the challenges of poverty, inequality, poor infrastructure, and limited access to quality services. Strategies such as investment in education, healthcare reform, rural development programs, and financial inclusion initiatives are being pursued to address these issues. However, the success of such efforts depends on strong political will, effective implementation, and continuous engagement with the needs of marginalized populations.

#### Indicators of Socio-Economic Development

Economic performance is one of the primary indicators of socio-economic growth. Gross Domestic Product (GDP) is commonly used to assess the economic output of a country. It represents the total value of all goods and services produced within a nation's borders and is a crucial indicator of a country's economic health (Piketty, 2021). GDP growth rates are typically employed to measure changes in the size of the economy over time. Higher GDP growth rates generally signal economic expansion, which can contribute to improved living standards. However, it is essential to consider GDP growth alongside other factors such as income inequality and wealth distribution, as these aspects determine whether the benefits of economic growth are widely shared (Stiglitz, 2023).

Poverty reduction is another significant indicator of socio-economic growth. The extent to which a nation reduces poverty reflects its success in improving the living conditions of its population. Poverty is typically measured by the percentage of the population living below the national poverty line, which varies from country to country. Poverty reduction involves improving access to basic necessities such as food, clean water, and shelter, as well as access to social services such as education and healthcare. According to the World Bank (2020), poverty reduction is a multidimensional process that requires comprehensive strategies, including income redistribution, social protection programs, and economic empowerment initiatives. The reduction of poverty is central to achieving sustainable and inclusive socio-economic growth.

Employment and labor force participation rates are also key indicators of socio-economic growth. A high level of employment and a growing labor force signify a healthy



economy capable of providing job opportunities to its citizens. Unemployment rates, along with underemployment rates, are frequently analyzed to gauge labor market performance. High unemployment rates often reflect an economy in distress, whereas low unemployment rates are associated with economic stability and growth. However, it is crucial to consider the quality of employment, as well. Employment that provides fair wages, job security, and opportunities for advancement contributes more significantly to socio-economic growth than precarious or informal work arrangements (ILO, 2020).

Education is a crucial socio-economic indicator, as it plays a fundamental role in equipping individuals with the knowledge and skills required for participation in the economy. The literacy rate, school enrollment ratios, and educational attainment levels are commonly used to assess a nation's educational performance. Quality education enables a country to develop a skilled workforce, which is essential for driving innovation, productivity, and economic diversification. The United Nations Educational, Scientific and Cultural Organization (UNESCO, 2020) emphasizes that education is a key factor in breaking the cycle of poverty and promoting social mobility. Therefore, higher levels of educational attainment correlate positively with improved socio-economic outcomes such as higher income levels and better quality of life.

Healthcare indicators are equally significant in evaluating socio-economic growth. Life expectancy, infant mortality rates, maternal mortality rates, and access to healthcare services are frequently used to assess the health status of a population. A nation's health is a reflection of its socio-economic development, as access to quality healthcare services is crucial for increasing productivity and improving overall well-being. In many developing countries, the lack of access to healthcare services contributes to high rates of preventable diseases, which in turn hinder economic development (WHO, 2020). Therefore, improvements in health outcomes are indicative of a nation's ability to invest in the well-being of its citizens, which is a critical driver of socio-economic growth.

Infrastructural development is another critical socio-economic indicator, as it directly influences the economic activities and daily lives of citizens. Key infrastructure indicators include the availability and quality of transportation networks, energy supply, telecommunications, and sanitation services. Adequate infrastructure is essential for businesses to operate efficiently and for citizens to access necessary services. The development of infrastructure fosters economic growth by reducing transaction costs, improving market access, and facilitating trade. Conversely, inadequate infrastructure can hamper economic performance and contribute to disparities in development across regions. In countries like Nigeria, for instance, inadequate electricity supply and poor road networks remain significant barriers to socio-economic growth (Ajakaiye et al., 2022).

Environmental sustainability is increasingly being recognized as an essential component of socio-economic growth. While traditionally, environmental factors were considered external to the concept of economic development, it is now widely acknowledged that long-term growth is unsustainable without environmental protection. The relationship between the environment and socio-economic growth can be observed through indicators such as carbon emissions, deforestation rates, and the use of renewable resources. Sustainable development seeks to balance economic growth with the preservation of the environment, ensuring that natural resources are used efficiently and responsibly to support future generations (UNDP, 2023). Countries that prioritize environmental sustainability tend to achieve more balanced and long-lasting growth.

### **Trends of Socio-Economic Development in Nigeria**

Nigeria's economic growth trajectory has been one of the most notable aspects of its socio-economic development. Since gaining independence in 1960, Nigeria has made



significant strides in increasing its GDP, mainly driven by the oil sector, which has contributed to the country's status as one of the largest oil producers globally. The discovery of oil in the late 1950s brought about substantial revenue inflows, and by the 1970s, oil became the backbone of the Nigerian economy, influencing most aspects of national development (Adeleke, 2020). Despite the fluctuations in global oil prices, oil remains a dominant source of revenue, accounting for a significant portion of the country's export earnings and government revenue. However, the reliance on oil has led to an over-dependence on one sector, leaving the economy vulnerable to external shocks such as fluctuating oil prices.

In recent years, there have been efforts to diversify Nigeria's economy beyond oil. The government has emphasized the need to develop non-oil sectors, such as agriculture, manufacturing, and services, to reduce the country's dependency on oil revenues. This diversification strategy is central to Nigeria's economic development in the 21st century, as it aims to ensure sustainable growth and job creation across different sectors of the economy (Ogunleye & Oladele, 2023). For instance, the agricultural sector, once the mainstay of the Nigerian economy before the discovery of oil, has seen efforts to revitalize it, with policies aimed at promoting food security, rural development, and export growth. The "Agricultural Transformation Agenda" introduced in 2011 is an example of such initiatives, seeking to enhance productivity in the agricultural sector and reduce Nigeria's reliance on food imports (Nwachukwu, 2021).

However, despite efforts to diversify the economy, poverty remains a persistent challenge in Nigeria. The country has one of the highest poverty rates in the world, with an estimated 40% of the population living below the poverty line (World Bank, 2020). The impact of poverty is compounded by inequalities in income distribution, poor access to quality education and healthcare, and inadequate infrastructure, which hinder the socio-economic mobility of a significant portion of the population. According to Alaba (2018), while Nigeria has experienced periods of high economic growth, the benefits of this growth have not been evenly distributed, leading to increasing inequality. Rural areas, in particular, remain underdeveloped and lack access to basic services such as electricity, clean water, and proper sanitation, which further deepens the poverty gap.

In terms of education, Nigeria has made substantial progress in improving access to education, especially at the primary and secondary levels. The introduction of free and compulsory education in many states has increased enrollment rates. However, challenges related to the quality of education, inadequate funding, and the lack of infrastructure continue to affect educational outcomes. Nigeria has one of the largest numbers of out-of-school children in the world, with millions of children not having access to basic education (United Nations Educational, Scientific and Cultural Organization [UNESCO], 2020). These educational gaps contribute to a lack of skilled labor, which in turn hampers the country's economic potential and growth.

Healthcare is another critical area of socio-economic development in Nigeria. While there have been efforts to improve healthcare access and reduce the burden of diseases, Nigeria's healthcare system still faces substantial challenges. According to the World Health Organization (WHO), Nigeria struggles with inadequate healthcare facilities, a shortage of medical personnel, and insufficient funding for the sector (WHO, 2020). Diseases such as malaria, tuberculosis, and HIV/AIDS continue to affect large segments of the population, particularly in rural areas. Additionally, Nigeria has one of the highest maternal and infant mortality rates in the world, which reflects the poor state of its healthcare infrastructure and the need for comprehensive reforms (Okeke & Adebayo, 2023).

Infrastructural development has been another significant aspect of Nigeria's socio-economic trends. Over the years, the Nigerian government has embarked on projects aimed at improving road networks, electricity supply, and telecommunications infrastructure. However,



despite efforts, the country's infrastructure remains underdeveloped. The power sector, in particular, has faced chronic challenges, with electricity shortages impacting businesses, education, and healthcare services. The federal government has initiated several programs, such as the National Integrated Infrastructure Master Plan, to address these deficiencies and improve the quality of infrastructure across the country (Ajakaiye et al., 2022). Nevertheless, the pace of infrastructure development has been slow, and inefficiencies in governance, corruption, and lack of adequate funding continue to hinder progress.

### **Relationship between Small Scale Enterprises and Socio-Economic Development in Nigeria**

Small Scale Enterprises (SSEs) are widely recognized as engines of economic growth and pivotal instruments for achieving socio-economic development, particularly in developing nations such as Nigeria. These enterprises play a fundamental role in stimulating economic activities, reducing unemployment, alleviating poverty, and promoting equitable distribution of income. The relationship between SSEs and socio-economic development in Nigeria is both dynamic and symbiotic, contributing significantly to national development goals through various socio-economic channels.

One of the primary ways SSEs influence socio-economic development in Nigeria is through employment generation. In a country where youth unemployment and underemployment are major socio-economic challenges, SSEs serve as critical employment avenues, especially for individuals with limited access to formal job opportunities. According to Adebisi and Gbegi (2023), small businesses account for over 80% of employment opportunities in Nigeria, absorbing a significant portion of the workforce that might otherwise remain unemployed. This not only reduces dependency on government employment but also empowers individuals economically and socially, fostering community stability and resilience.

Moreover, SSEs contribute to poverty reduction by increasing household incomes and improving living standards. Many small businesses are located in rural and semi-urban areas, providing economic opportunities to marginalized populations. Through income generation, SSEs enable individuals to afford basic necessities such as food, healthcare, and education, which are essential indicators of socio-economic well-being. According to Oboh and Ekpebu (2021), access to credit and the growth of small enterprises have significantly enhanced rural livelihoods, suggesting a direct correlation between SSEs and improved socio-economic outcomes.

In terms of economic diversification, SSEs help reduce Nigeria's overdependence on the oil sector. They operate across a variety of sectors including agriculture, manufacturing, retail, and services, thereby contributing to a more balanced and sustainable economic structure. Their ability to utilize local resources, promote indigenous technology, and adapt quickly to changing market conditions positions them as vital drivers of grassroots industrialization. As Ebitu, Glory, and Alfred (2021) note, the spread and diversity of SSEs enhance local production capacities and foster self-reliance, which are critical to long-term socio-economic development.

Furthermore, SSEs play a key role in fostering entrepreneurship and innovation. They provide a platform for individuals to transform ideas into viable economic activities, promoting creativity, problem-solving, and economic participation. Entrepreneurship within SSEs stimulates competition, enhances productivity, and often leads to the development of new products and services. This dynamic entrepreneurial environment is essential for building a robust private sector and sustaining socio-economic advancement (Olutunla, 2021).

Socially, SSEs contribute to inclusive development by promoting gender equity and youth empowerment. Many women and young people, who are often excluded from formal employment due to societal or structural barriers, find opportunities for self-employment through small businesses. By supporting such demographic groups, SSEs help bridge social



divides and foster greater community engagement. The role of SSEs in empowering women, in particular, has been highlighted as a major factor in achieving wider development goals, such as those outlined in the United Nations Sustainable Development Goals (United Nations, 2020).

However, despite their contributions, SSEs in Nigeria face numerous challenges that hinder their potential impact on socio-economic development. These include limited access to finance, inadequate infrastructure, inconsistent government policies, and weak institutional support. As Ariyo (2022) argues, strengthening the SSE sector through policy and institutional support is imperative for achieving sustainable socio-economic development in Nigeria.

#### 2.6 Relationship between Small Scale Enterprises and Employment Generation in Nigeria

Small scale enterprises (SSEs) have become essential instruments for addressing the growing unemployment crisis in Nigeria. As the formal sector continues to face significant constraints in absorbing the increasing labor force, SSEs are playing a pivotal role in generating employment opportunities across various sectors of the economy. These enterprises are defined by their relatively small size in terms of capital investment, workforce, and scope of operation. However, their cumulative impact on employment generation in Nigeria is substantial, making them key actors in the national quest for inclusive economic development and poverty alleviation.

In the context of Nigeria's economic structure, where youth unemployment and underemployment remain pressing concerns, small scale enterprises serve as accessible platforms for job creation. According to the National Bureau of Statistics (NBS, 2020), Nigeria's unemployment rate reached 33.3%, with youth unemployment significantly higher. In this scenario, SSEs provide a buffer against joblessness by absorbing a substantial portion of the labor force that the public and large private sectors cannot accommodate. As Ogujiuba, Fadila, and Stiegler (2023) noted, SSEs contribute over 70% of employment in the country, underscoring their relevance in bridging the employment gap.

SSEs are especially effective in generating employment because they are often labor-intensive and require relatively low startup capital. This makes them attractive to a wide range of individuals, including those with limited formal education or technical skills. Many young Nigerians, faced with scarce white-collar job opportunities, turn to self-employment by establishing small businesses in sectors such as retail, agriculture, manufacturing, and services. These ventures not only create employment for their owners but also offer jobs to others, such as family members, apprentices, and hired workers, thereby multiplying their impact on local employment levels (Ebitu, Glory, & Alfred, 2021).

Moreover, SSEs contribute to employment generation by promoting entrepreneurship and innovation. As individuals identify market gaps and consumer needs, they develop products and services that not only meet these demands but also require human resources to execute. This entrepreneurial culture encourages job creation through both direct employment and the growth of ancillary businesses that support small-scale operations. According to Osotimehin, Jegede, Akinlabi, and Olajide (2022), entrepreneurship driven by SSEs serves as a catalyst for employment creation, especially when backed by supportive government policies and access to funding.

SSEs also promote informal employment, which constitutes a significant portion of Nigeria's economy. While the informal sector is often characterized by low wages and lack of job security, it remains a major source of livelihood for millions of Nigerians. The flexibility and accessibility of SSEs allow individuals to engage in productive activities that sustain household income and enhance community resilience. This informal employment serves as a stepping stone for many to eventually formalize their businesses and further expand employment opportunities (Ariyo, 2022).

Despite their potential, SSEs in Nigeria face several constraints that limit their capacity to generate employment effectively. These include inadequate access to finance, lack of



infrastructure, policy inconsistency, and poor access to markets. Many small business owners struggle to scale their operations due to these systemic challenges.

## 2.7 Relationship between Small Scale Enterprises and Reduction of Poverty Levels in Nigeria

Small scale enterprises (SSEs) have emerged as one of the most effective tools for reducing poverty in Nigeria, particularly in a country where a large percentage of the population lives below the poverty line. These enterprises contribute to poverty alleviation by providing income-generating opportunities, promoting self-reliance, and supporting community-level development. In an economy that struggles with unemployment, inequality, and limited access to formal employment, SSEs serve as a sustainable means of improving livelihoods and narrowing socio-economic gaps.

Poverty in Nigeria is a multi-dimensional issue characterized by low income, poor access to basic services, and social exclusion. According to the National Bureau of Statistics (NBS, 2020), over 40% of Nigerians live in poverty, with the majority residing in rural areas where formal employment and economic opportunities are scarce. Small scale enterprises, often rooted in these communities, play a crucial role in creating localized solutions to economic deprivation. They offer employment, enable the accumulation of assets, and help households to meet their basic needs, which directly reduces the incidence and severity of poverty (Obokoh, 2022).

SSEs help individuals and households to diversify their sources of income. In many rural and semi-urban areas of Nigeria, small businesses in agriculture, retail, crafts, and services are the primary sources of livelihood. These businesses enable individuals, especially women and youth, to become economically active and earn a steady income. According to Adebisi and Gbegi (2023), small scale enterprises not only reduce poverty by creating jobs but also by improving income distribution and empowering economically disadvantaged groups. This empowerment is particularly significant in regions where access to formal education and employment is limited.

Furthermore, SSEs stimulate local economic development by circulating money within communities. The goods and services produced by small businesses often rely on local resources, and their earnings are typically reinvested in the same communities. This circulation of income enhances the resilience of local economies and creates a multiplier effect that supports other small businesses and informal workers. As Olutunla (2021) explains, the growth of SSEs strengthens the economic base of communities, contributing to a gradual but sustained reduction in poverty.

In addition to income generation, SSEs play a key role in social capital development. By promoting entrepreneurship, they encourage a culture of innovation, responsibility, and cooperation. This social capital is vital in building networks that can provide support during economic hardship, thereby reducing vulnerability to poverty. Moreover, SSEs contribute to human capital development through skills training and apprenticeships. Many small businesses train their employees or apprentices in technical and managerial skills, increasing their employability and potential to start their own ventures (Osotimehin, Jegede, Akinlabi, & Olajide, 2022).

Government and non-governmental initiatives to support SSEs have also recognized their poverty-reducing potential. Programs such as the National Enterprise Development Programme (NEDEP), the N-Power scheme, and various microfinance initiatives aim to strengthen small businesses through access to finance, training, and infrastructure. Although the effectiveness of these programs varies, they reflect the national recognition of the role of SSEs in tackling poverty (Ebitu, Glory, & Alfred, 2021). However, the impact of SSEs on poverty reduction is often limited by challenges such as inadequate funding, inconsistent policies, poor infrastructure, and limited market access. To fully harness the poverty-reducing



potential of small scale enterprises, there is a need for sustained investment in supportive ecosystems. This includes financial inclusion through microcredit, capacity building through vocational training, and institutional reforms that address bureaucratic and regulatory barriers. With the right support, SSEs can transform from subsistence activities into viable and scalable businesses capable of lifting large segments of the population out of poverty.

### **Theoretical Framework** Schumpeterian Theory of Innovation

One of the most relevant theoretical frameworks that explains the role of small scale enterprises (SSEs) in socio-economic development is the *Schumpeterian Theory of Innovation*, propounded by the Austrian economist Joseph Alois Schumpeter in the early 20th century. Schumpeter's theory centers on the idea that economic development is driven by innovation and the entrepreneurial spirit. According to Schumpeter (1934), innovation is the force behind the continuous transformation of the economy, and it is primarily entrepreneurs who introduce these innovations. These innovations are not limited to new products alone but also include new methods of production, the opening of new markets, the discovery of new sources of supply, and new forms of organization. This process of "creative destruction," as Schumpeter famously described it, refers to the dismantling of old economic structures and the building of new ones that better serve evolving economic needs.

Applying Schumpeter's theory to the Nigerian context, it becomes clear that small scale enterprises serve as the bedrock of innovation and economic transformation. In Nigeria, SSEs often emerge in response to unmet social and economic needs, thereby introducing novel products, services, or business models tailored to local conditions. These enterprises are established by individuals who identify gaps in the economy and create solutions, which leads to the transformation of local communities. For instance, small agro-processing firms in rural Nigeria add value to raw agricultural produce using affordable technologies, thereby contributing to both local employment and food security. This aligns with Schumpeter's emphasis on innovation as a central component of entrepreneurial activity (Schumpeter, 1934).

Furthermore, small scale enterprises in Nigeria promote socio-economic development through employment creation, income generation, and local resource utilization. In line with Schumpeter's assertion, these enterprises disrupt the traditional modes of economic participation by empowering previously marginalized groups, such as women and youth, to engage in entrepreneurial ventures. This democratization of economic activity helps reduce inequality and promotes inclusive development. As Adebayo and Yusuf (2020) argue, the innovation-driven nature of SSEs in Nigeria, particularly in the informal and semi-formal sectors, has made them vital instruments for poverty alleviation, especially in underserved regions of the country.

Schumpeter's theory also helps to explain the resilience and adaptability of SSEs in Nigeria's volatile economic environment. Entrepreneurs constantly innovate in response to challenges such as inflation, policy inconsistency, and infrastructural deficits. Their ability to reconfigure business models and adapt to economic shocks is a practical manifestation of the Schumpeterian entrepreneur who is dynamic and disruptive. This entrepreneurial behavior contributes to the diversification of the economy and reduces dependence on the formal sector or oil-based revenues, thereby fostering more sustainable patterns of socio-economic growth (Ebitu, Glory, & Alfred, 2021).

Moreover, the role of small-scale enterprises in building social capital and community cohesion can also be interpreted through the Schumpeterian lens. As entrepreneurs form networks and associations to support their businesses, they stimulate a culture of innovation and shared growth (Ikenyei 2017). This bottom-up approach to development contrasts with the top-down strategies often employed by the government, and it proves more effective in reaching grassroots populations. Through these enterprises, communities are empowered to take



ownership of their development, which is a critical aspect of Schumpeter's view of entrepreneurship as a transformative force in society.

### **Scope of the Study**

This research focuses on small scale enterprises and its contribution to socio-economic development. It is therefore delimited to small scale enterprises in Asaba, Delta State.

### **Research Method**

The survey method was used in collecting data for the study. The survey method involves collecting data through questionnaires to gather information from a sample of individuals or groups. This method can be used in research because it allows for the collection of self-reported data, providing insights into people's attitudes and beliefs on the subject matter. This study is survey in character as it seeks to obtain information from the population on small scale enterprises and its contribution to socio-economic development in Asaba, Delta State, Nigeria.

### **Population of the Study**

The study population comprises of small business owners in Asaba. The study population is made up of male and female staff, age bracket 18 and above as well as their respective religious affiliation.

### **Sample Size and Sampling Technique**

The sample size decided for this study is 50 business owners in Asaba. The purposive sampling of the non-probability sampling technique was adopted. The purposive sampling or judgment sampling involves the hand picking of desired sampling elements in order to ensure that such elements are included in the sample. The desired elements are small scale enterprises in Asaba. In selecting sampling units using this sampling technique, the researcher decided politely ask business owners of small scale enterprises if they would like to be sampled, if "yes" is the response, they are then included in the sample.

### **Instrument of Data Collection**

The instrument the researcher employed in this study is the self-constructed questionnaire titled "small scale enterprises and its contribution to socio-economic development in Asaba, Delta State, Nigeria" which comprises two sections. The first section contains items on the bio-data of respondents (gender) while the second section contains items carefully constructed to elicit the right responses from the respondents in order to answer the questions raised for this study. The students are to respond to the items in section B consisted of 15 items which were used to answer the research questions.

### **Method of Data Collection**

The administration of questionnaire was done personally by the researcher during visit to the small scale enterprises in the study area. The questionnaire was administered to the respondents after their consent was given. The respondents were encouraged to fill the questionnaire independently with close supervision, and on the spot collection were made to ensure that the entire questionnaires distributed are collected back.

### **Method of Data Analysis**

Analysis is the technique for ordering and breaking down of data into constituent parts. It constitutes the statistical calculation performed with reference to raw data to provide answer to research question that has been raise. The simple percentage and the chi-square statistic was used to analyze the collected data in this research work.



**Results and Findings**

Table 1: Age distribution of respondents

| Age          | Frequency | Percentage (%) |
|--------------|-----------|----------------|
| 18-25        | 13        | 31.7           |
| 26 and above | 28        | 68.3           |
| Total        | 41        | 100            |

Source: Fieldwork, 2025

The distribution above shows the age distribution of respondents. It reveals that 13 (31.7%) of the total respondents fall under the age bracket of 18-23 while 28 (68.3%) of the respondents fall within the age bracket of 26 and above.

Table 2: Sex distribution of respondents

| Sex    | Frequency | Percentage (%) |
|--------|-----------|----------------|
| Male   | 33        | 80.5           |
| Female | 8         | 19.5           |
| Total  | 41        | 100            |

Source: Fieldwork, 2025

The above table distribution shows that 33 (80.5%) of the total respondents were male, while 8 (19.5%) of the respondents were female.

Table 3: Respondents distribution on Marital Status

| Marital Status | Frequency | Percentage (%) |
|----------------|-----------|----------------|
| Unmarried      | 37        | 90.2           |
| Married        | 4         | 9.8            |
| Divorced       | -         | -              |
| Total          | 41        | 100            |

Source: Fieldwork, 2025

The distribution above shows that 37(90.2%) of the total respondents are unmarried staffs, while 4(9.8%) are married staffs.

Table 4.3: Respondents distribution on Religion

| Religion     | Frequency | Percentage (%) |
|--------------|-----------|----------------|
| Christianity | 41        | 100            |
| Islam        | -         | -              |
| Others       | -         | -              |
| Total        | 41        | 100            |

Source: Fieldwork, 2025

The distribution above shows that 41(100%) of the total respondents are Christians.

**Hypothesis Testing**

The null hypothesis as stated in chapter one of this research work will be tested and analysed using the formular below;

$$fe = \frac{RT - CT}{GT}$$

$$X^2 = \sum \frac{(Fo - Fe)^2}{Fe}$$

**Hypothesis 1:** There is no significant relationship between small scale enterprises and socio-economic development of Asaba, Delta State

$$x^2 = \sum \frac{(fo - fe)^2}{fe}$$

Where :

$$x^2 = \text{chi square}$$

$$fo = \text{observed frequency}$$



$$fe = \text{expected frequency}$$

$$\sum = \text{summation}$$

$$\text{expected frequency} = \frac{\text{sum of observed frequency}}{\text{number of rows}}$$

To determine the degree of freedom,  
Level of significance = 5% or 0.05

$$df = (r - 1)(C - 1)$$

Where; Df = degree of freedom  
R = number of rows  
C= number of column

$$\text{degree of freedom} = (2 - 1)(4 - 1)$$

$$df = (1)(3) = 3$$

$$\text{critical value} = 7.82$$

Given 0.05 as the significant level

$$\text{Therefore-expected frequency} = \frac{41}{2} = 20.5$$

Decision Criteria

If the calculated value is greater than the critical value, reject null hypothesis and accept alternative hypothesis and vise versa.

Computation of chi value ( $\chi^2$ )

| Variables         | Observed (fo) | Expected (fe) | O - E | (FO - FE) <sup>2</sup> | $\sum \frac{(fo - fe)^2}{fe}$ |
|-------------------|---------------|---------------|-------|------------------------|-------------------------------|
| Agree (SA + A)    | 32            | 20.5          | 11.5  | 132.25                 | 6.45                          |
| Disagree (SD + D) | 9             | 20.5          | -11.5 | 132.25                 | 6.45                          |
| TOTAL             | 41            |               |       |                        | 12.9                          |

A chi square ( $\chi^2$ ) summary table of hypothesis 1

| Variables         | Observed (fo) | Expected (fe) | DF   | $\chi_{crit}^{-2}$ | $\chi_{cal}^{-2}$ | Decision    |
|-------------------|---------------|---------------|------|--------------------|-------------------|-------------|
| Agree(SA + A)     | 32            | 20.5          |      |                    |                   | Ho Accepted |
| Disagree (SD + D) | 9             | 20.5          | 0.05 | 7.82               | 12.9              |             |
| Total             | 41            |               |      |                    |                   |             |

Decision rule

Since the calculated value of  $\chi^2 = 12.9$  is greater than the critical value of 7.82. The null Hypothesis (Ho) is rejected and the alternative accepted. We therefore, reject the null hypothesis which state that, there is no significant relationship between small scale enterprises and socio-economic development of Asaba, Delta State and accept the alternative which state that, there is a significant relationship between small scale enterprises and socio-economic development of Asaba, Delta State.

**Hypothesis 2:** there is no significant relationship between small scale enterprises and employment generation in Asaba, Delta State

$$\chi^2 = \sum \frac{(fo - fe)^2}{fe}$$

Where :

$$\chi^2 = \text{chi square}$$



$f_o = \text{observed frequency}$

$f_e = \text{expected frequency}$

$\sum = \text{summation}$

$$\text{expected frequency} = \frac{\text{sum of observed frequency}}{\text{number of rows}}$$

To determine the degree of freedom,

Level of significance = 5% or 0.05

$$df = (r - 1)(C - 1)$$

Where;

Df = degree of freedom

R = number of rows

C= number of column

$$\text{degree of freedom} = (2 - 1)(4 - 1)$$

$$df = (1)(3) = 3$$

$$\text{critical value} = 7.82$$

Given 0.05 as the significant level

$$\text{Therefore-expected frequency} = \frac{41}{2} = 20.5$$

Decision Criteria

If the calculated value is greater than the critical value, reject null hypothesis and accept alternative hypothesis and vise versa.

Computation of chi value ( $\chi^2$ )

| Variables         | Observed (fo) | Expected (fe) | O - E | (FO - FE) <sup>2</sup> | $\sum \frac{(fo - fe)^2}{fe}$ |
|-------------------|---------------|---------------|-------|------------------------|-------------------------------|
| Agree (SA + A)    | 36            | 20.5          | 15.5  | 240.25                 | 11.71                         |
| Disagree (SD + D) | 5             | 20.5          | -15.5 | 240.25                 | 11.71                         |
| TOTAL             | 41            |               |       |                        | 23.42                         |

A chi square ( $\chi^2$ ) summary table of hypothesis 2

| Variables | Observed (fo) | Expected (fe) | DF   | $\chi_{crit}^2$ | $\chi_{cal}^2$ | Decision    |
|-----------|---------------|---------------|------|-----------------|----------------|-------------|
| Agree     | 36            | 20.5          |      |                 |                | Ho Accepted |
| Disagree  | 5             | 20.5          | 0.05 | 7.82            | 23.42          |             |
| Total     | 41            |               |      |                 |                |             |

Decision rule

Since the calculated value of  $\chi^2 = 23.42$  is greater than the critical value of 7.82. The null Hypothesis (Ho) is rejected and the alternative accepted. We therefore, reject the null hypothesis which state that, there is no significant relationship between small scale enterprises and employment generation in Asaba, Delta State and accept the alternative which state that, there is a significant relationship between small scale enterprises and employment generation in Asaba, Delta State.



**Hypothesis 3:** there is no significant relationship between small scale enterprises and reduction of poverty levels in Asaba, Delta State

$$\chi^2 = \sum \frac{(fo - fe)^2}{fe}$$

Where :

$$\chi^2 = \text{chi square}$$

*fo* = observed frequency

*fe* = expected frequency

$\sum$  = summation

$$\text{expected frequency} = \frac{\text{sum of observed frequency}}{\text{number of rows}}$$

To determine the degree of freedom,

Level of significance = 5% or 0.05

$$df = (r - 1)(C - 1)$$

Where;

Df = degree of freedom

R = number of rows

C= number of column

$$\text{degree of freedom} = (2 - 1)(4 - 1)$$

$$df = (1)(3) = 3$$

$$\text{critical value} = 7.82$$

Given 0.05 as the significant level

$$\text{Therefore-expected frequency} = \frac{41}{2} = 20.5$$

Decision Criteria

If the calculated value is greater than the critical value, reject null hypothesis and accept alternative hypothesis and vise versa.

Computation of chi value ( $\chi^2$ )

| Variables         | Observed (fo) | Expected (fe) | O - E | (FO - FE) <sup>2</sup> | $\sum \frac{(fo - fe)^2}{fe}$ |
|-------------------|---------------|---------------|-------|------------------------|-------------------------------|
| Agree (SA + A)    | 34            | 20.5          | 13.5  | 182.25                 | 8.89                          |
| Disagree (SD + D) | 7             | 20.5          | -13.5 | 182.25                 | 8.89                          |
| TOTAL             | 41            |               |       |                        | 17.78                         |

A chi square ( $\chi^2$ ) summary table of hypothesis 3

| Variables         | Observed (fo) | Expected (fe) | DF   | $\chi_{crit}^2$ | $\chi_{cal}^2$ | Decision    |
|-------------------|---------------|---------------|------|-----------------|----------------|-------------|
| Agree (SA + A)    | 34            | 20.5          |      |                 |                | Ho rejected |
| Disagree (SD + D) | 7             | 20.5          | 0.05 | 7.82            | 17.78          |             |
| Total             | 41            |               |      |                 |                |             |

Decision rule



Since the calculated value of  $\chi^2 = 17.78$  is greater than the critical value of 7.82. The null Hypothesis (Ho) is rejected and the alternative accepted. We therefore, reject the null hypothesis which state that, there is no significant relationship between small scale enterprises and reduction of poverty levels in Asaba, Delta State and accept the alternative which state that, there is a significant relationship between small scale enterprises and reduction of poverty levels in Asaba, Delta State.

### **Discussion of Findings**

The first of the finding states that there is a significant relationship between small scale enterprises and socio-economic development of Asaba, Delta State. This finding agrees with Adebisi and Gbegi (2023) and Ikenyei (2017), who noted that small Scale Enterprises (SSEs) are widely recognized as engines of economic growth and pivotal instruments for achieving socio-economic development, particularly in developing nations such as Nigeria. These enterprises play a fundamental role in stimulating economic activities, reducing unemployment, alleviating poverty, and promoting equitable distribution of income. The relationship between SSEs and socio-economic development in Nigeria is both dynamic and symbiotic, contributing significantly to national development goals through various socio-economic channels. One of the primary ways SSEs influence socio-economic development in Nigeria is through employment generation. In a country where youth unemployment and underemployment are major socio-economic challenges, SSEs serve as critical employment avenues, especially for individuals with limited access to formal job opportunities. According to Adebisi and Gbegi (2023), small businesses account for over 80% of employment opportunities in Nigeria, absorbing a significant portion of the workforce that might otherwise remain unemployed. This not only reduces dependency on government employment but also empowers individuals economically and socially, fostering community stability and resilience.

The second findings of the research work state that there is a significant relationship between small scale enterprises and employment generation in Asaba, Delta State. This finding corroborates Akinlabi, and Olajide (2022) who noted that small scale enterprises (SSEs) have become essential instruments for addressing the growing unemployment crisis in Nigeria. As the formal sector continues to face significant constraints in absorbing the increasing labor force, SSEs are playing a pivotal role in generating employment opportunities across various sectors of the economy. These enterprises are defined by their relatively small size in terms of capital investment, workforce, and scope of operation. However, their cumulative impact on employment generation in Nigeria is substantial, making them key actors in the national quest for inclusive economic development and poverty alleviation. In the context of Nigeria's economic structure, where youth unemployment and underemployment remain pressing concerns, small scale enterprises serve as accessible platforms for job creation. According to the National Bureau of Statistics (NBS, 2020), Nigeria's unemployment rate reached 33.3%, with youth unemployment significantly higher. In this scenario, SSEs provide a buffer against joblessness by absorbing a substantial portion of the labor force that the public and large private sectors cannot accommodate. As Ogujiuba, Fadila, and Stiegler (2023) noted, SSEs contribute over 70% of employment in the country, underscoring their relevance in bridging the employment gap.

The third finding of the research states that there is a significant relationship between small scale enterprises and reduction of poverty levels in Asaba, Delta State. This finding corroborates Obokoh (2022) who noted that small scale enterprises (SSEs) have emerged as one of the most effective tools for reducing poverty in Nigeria, particularly in a country where a large percentage of the population lives below the poverty line. These enterprises contribute to poverty alleviation by providing income-generating opportunities, promoting self-reliance, and supporting community-level development. In an economy that struggles with



unemployment, inequality, and limited access to formal employment, SSEs serve as a sustainable means of improving livelihoods and narrowing socio-economic gaps. Poverty in Nigeria is a multi-dimensional issue characterized by low income, poor access to basic services, and social exclusion. According to the National Bureau of Statistics (NBS, 2020), over 40% of Nigerians live in poverty, with the majority residing in rural areas where formal employment and economic opportunities are scarce. Small scale enterprises, often rooted in these communities, play a crucial role in creating localized solutions to economic deprivation. They offer employment, enable the accumulation of assets, and help households to meet their basic needs, which directly reduces the incidence and severity of poverty (Obokoh, 2022).

### Conclusion

The study concludes that small-scale enterprises play a vital role in the socio-economic development of Asaba, Delta State. The significant relationship between small-scale enterprises and socio-economic development suggests that these businesses contribute substantially to the overall growth and well-being of the community. This underscores the importance of supporting and promoting small-scale enterprises in the region.

### Recommendations

In view of the findings from the research work, the researcher wishes to make the following recommendations;

- i. The Delta State Government should continue to support small-scale enterprises by providing accessible funding options, such as the N1 billion SME fund with single-digit interest rates, to boost local economic growth and empower small businesses.
- ii. The government should prioritize infrastructure development, including power supply, road networks, and telecommunication facilities, to create an enabling environment for small-scale enterprises to thrive.
- iii. The government should establish vocational training programs to equip entrepreneurs with the necessary skills and knowledge to manage and grow their businesses sustainably, thereby generating employment opportunities.

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