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Problems and Prospects of Small and Medium Scale Entreprises in Nigeria (A Case Study of Some Selected Enterprises in Oghara, Delta State)

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ABSTRACT

The problems and prospects of small and medium scale enterprises (SMEs) cannot be overemphasized given its relevance's in resource mobilization, utilization and overall contribution to gross domestic product (GDP) of a nation. It serves as an engine of rapid economic growth and development as it responds to the macro economic problems militating against developing nations like Nigeria. Therefore, this project examines the meaning of SMEs factor to be considered in establishing SMEs, problems of SMEs, importance of SMEs to the Nigeria's economy, Government past and present efforts toward SMEs problem associated with Government efforts. This work concluded that if policy implementation is enhanced through efficient monitoring and period review as well as provision of infrastructure, the SMEs, will be empowered which could serve as an engine of growth to the Nigeria's economy. Out of a population of eighty drawn from the selected bakeries, sixty seven were selected as the sample size using statistical sample tools (Taro Yamani). A questionnaire was designed and distributed to elicit information from the sample populations; also the data was sourced through primary and secondary sources. These data collected were presented and analysed by means of tables and percentages. The Hypothesis adopted were tested using such tools as chi – square. It was observed that to achieve economic growth and development to use, such as increasing availability of credits by raising interest rate ceiling and permitting a 'spread' that make it worthwhile for bank to lend to small and medium scale business or by increasing the number and range of investment, problems of small and medium scale business will be a thing of the past

Keywords: Small, Medium, Business, Enterprises And Hypothesis

INTRODUCTION

The performance and effectiveness of small and medium scale enterprises as an instrument of economic growth and development in Nigeria has long been under scrutiny. This intense scrutiny has been against the backdrop of the low performance and inefficiency that characterized small and medium scale enterprises particularly in assessing its role on economic growth and development (Basil 2005) Despite government institutional and policies support to enhancing the capacity of small and medium scale enterprises, small and medium scale enterprises has fallen short of expectations. This has generated serious concern and skepticism on whether small and medium scale can bring about economic growth and national developments in Nigeria. The concern is even more disturbing when comparing small and medium enterprises in Nigeria with other countries particularly where small and medium enterprises have become harbinger of economic reconstruction and transformation. This low performance has further exacerbated poverty, hunger unemployment and low standard of living of people in a country whose economics is ailing. The current problems of hunger poverty and unemployment have undermined the capacity of the economy. Unfortunately, small and medium enterprises have not been able to propel economic growth and development which are quintessence of mitigating the effect of poverty, hunger, unemployment and low standard living on the economy (Ezeh, 1999)

The contribution of small – scale business in fostering economic growth and development has been well articulated in different areas of this study .the specific attention on them based on their expected impact and potential contribution on broad and diversified production base, as well as their accelerative effect in achieving macro objectives pertaining to full employment, income distribution and the development of local technology. They are particularly most conducive for diffusion of management skills and emulation of indigenous entrepreneurship overtime (Ezeh, 1999)

Small business provides financial opportunity and a chance to develop wealth. It is a place where creative, motivated individuals can use their talents and expertise to the fullest, because it provides satisfying careers and job opportunities and it's also the back bone of the market economy of the word. Every big business starts as a small business, and it started with an entrepreneur (small business), who at first, earns little or no profit. It was the new ideas of small business that brought about Agofure Transport, the FAN Milk, Warri "Tokumbo" parts, and even the many commercial banks in Nigeria.

Untried ideas become annulations that become concepts that changed the business world. And so it goes. Small business is the basis for the economic well being many developed nations including USA / Japan (Ani, 1999)

Entrepreneurship is what makes a small business successful. Entrepreneurship occurs when an individual develops a new venture, a new approach to an old business or idea, or a unique way of giving the market place a product or service by using resources in a new way under conditions of risk. Small business triumphs and entrepreneurship are closely related to it and it is difficult to separate them (Ile, 2001)

The unemployment situation in the country coupled with the new government instinctive towards easing social tensions among unemployed youths, through the programmed of the National Directorate of Employment (NDE), were intended to lure a lot of unemployed Nigerians, including graduates into self determination through self employment. Graduates and school leavers are now realizing that government and the established private companies are not ready to come to their aid directly, through paid employment due to the dividing state of the economy. Short of the alternatives, Nigerians including our graduates are therefore launching themselves into various small-scale business ventures, such as cottage soap and cosmetics production, fairing, restaurants, fast food, publishing, writing, block making, garri processing, food processing, refuse disposal, taxi driving, cleaning services, weaving, baking tailoring, advertising and other same business venture which depends mostly on local raw materials. The determination to succeed is also fast becoming the order of the day (Agbo, 2000)

Government has been playing appreciative role in promoting the survival and growth of small-scale enterprise in recognition of them flexible and adaptive nature as well as their re-generative power in promoting economic growth and development. Government also encourages people to establish their own small business so as to reduce the problem of unemployment in the country and also reduce the problem of importation of goods, more so, to produce exportation products (Akwaeze, 2004)

Government in believing that a dynamic and growing small manufacturing sub-sector can contribute significantly to the implementation of a wide range development effectives, has thus enunciated various policies to encourage their proliferation and make them veritable engines of growth and development. In the third and for the development plans and the on-going three years rolling plan, priority has been accorded industrialization with greater emphasis on small-scale enterprises. The basic activities of government policies as maintained in the monetary and fiscal policy measures, are to improve the financing and other supportive services of small-scale business by expanding and improving access to credit and infrastructural facilities, reducing their production costs, boosting their profitability, enhancing their survival and growth capacities as well as expanding their contributions to non-oil exports by making their products competitive in the export markets (Fatai, 2011)

Hardly could any major industry succeed without the services of small-business enterprise. The major goals of any profit oriented business are to make profit. A company will make more profit if satisfy its customers need better them the competitors. Therefore in the contribution of small-scale business, bakeries would produce what the customers want and by so doing they maximize profit and only bakeries that are effective and efficient can satisfy customer's needs. In reality, it is possible to run a business without profit for a time, but it is not possible for to survive for one day without customers. Customers are the central theme of any business. Without a total commitment to them, contribution to economic growth and development will have limited and brief effects (Ani and Agbo, 2002)

CONCEPTUAL FRAME WORKS

It is imperative to know that a business is any activity, a concern, an enterprise or organization set up by an individual or group of individuals for the purpose of making profits.

According to Obitayo (2001), a business as an enterprise that engage in the production of goods or services that provides satisfaction for consumers. In Nigeria, it ranges from micro, small – scale, small and medium to large ones.

Essentially, the concept of small – scale business has become very controversial in that there is no single criterion for classifying business enterprise on small or medium scale globally (Okonkwo, 2000). In a study carried out by International Labour Organization, over 50 definitions were identified in 75 different countries. However, evidence from literature shows that in defining SMEs reference is usually made to some quantifiable measures such as:

Number of people employed by the enterprise, investment outlay, the annual turn - over (sales) and the asset of the enterprise or a combination of these measures.

According to United Nations Economic Development Programme (UNDP) and the Small and Medium Enterprise Development Agency of Nigeria (SMEDAN) classification of small business by various countries differs, for instance in Australia, the Australia Bureau of statistic defines small business as those employing fewer than 20 persons (Osamwonyi, 2009). The Australia Tax office uses a definition of average annual turnover of less than I million and net assets of less than 3 million. By contrast, the export insurance scheme targets small business with annual turnover not exceeding 10 million

Micro/ cottage industry: a business with total capital of not more than #1.5m (excluding cost of land but including working capital) and a labour size of not more than 10 workers. Small scale industry: a business with total capital of not more than five million naira (excluding cost of land but including working capital) and a labour size of not more than 11 – 100 workers. Medium scale industry: A business with total capital of not more than two hundred million naira (excluding cost of land but including working capital) and a labour size of not more than 300 workers.

RESEARCH METHODOLOGY

RESEARCH DESIGN

In this research study, there would be the use of both primary and secondary data. Primary data were collected through a filed study of selected small and medium scale enterprises in Oghara. The research involves the use of personal interviews, observations and structured questionnaires. This was done to be acquainted with information on the experience of the customs in the bakery industries. Additional information was gotten from management journals, newspapers, magazines, write-ups, papers presented in symposia and also text books. These sources make up secondary data and the research was designed in such a way that points scores were awarded to respondents to know the performance of workers in the selected bakeries in Oghara, Delta state. The workers from these bakery industries were taken as sample for study from the population. The data collected during the study were analyzed with a view to establish how the performance of these workers contributes to economic development of the country in their different industries.

AREA OF STUDY

The population of the study consists of all small and medium scale enterprises in the bakery and eatery industries in Oghara, Delta State.

SAMPLE AND SAMPLING TECHNIQUE

In the sampling technique, every member of the relevant population has an equal chance of being selected and the probability of this selection was known, for example, if there is 80 staff of an organisation and each staff is qualified for selection, then the probability that a particular staff will be selected is one out of 80.

INSTRUMENT FOR DATA COLLECTION

This was collected the through responses from questionnaire and interviews

(a) Questionnaire: A well structured questionnaire was designed by the researcher for service or an intermediate staff in the selected bakeries. The questionnaires were personally presented to the respondents. The questionnaire consisted of printed questions in which the respondents have to fill in the answers. Multiple choices was used in the questionnaire

(b) Interview: Oral / interview in collecting primary data. This method served a very useful purpose in obtaining certain facts and data that were not possible through the questionnaire method. Data from literature review from text books, and journals including newspaper prints.

METHOD OF DATA COLLECTION

The questionnaire of data collection was solely used. However, a total sixty seven (67) structured questionnaire of twenty (20) questions were administered among the selected bakeries among staff. The questionnaires were personally distributed to the employees. The respondents were allowed two (2) days to respond to the questions, after which the (questionnaire) were collected from the respondents. However, some respondents returned their questionnaire the same day. The information obtained through oral interview was guided by interview guide where the questions to be asked were listed so that they will not be forgotten.

METHODS OF DATA ANALYSIS

There are various method used in presenting data on a project. These various methods are use of table, chart and graph but for the sake of this work, table was used to represent the data because of its preciseness. In order to facilitate accurate analysis of data, percentage was used to analyze the data and chi-square will be used to test the hypotheses. In the testing, comparison was made between the expected frequency and observed frequency.

Chi – square (X^2)

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

fe = Expected frequency

fo = Observed frequency

Calculating the degree of freedom

$(R - 1)(C - 1)$

Where R = Number of rows

C = Number of column

DECISION RULE: If $P \leq 0.05$ the null hypothesis would be rejected and if $P > 0.05$ then the null hypothesis would be accepted.

PRESENTATION AND ANALYSIS

Number of questionnaires distributed

Response option	Number of questionnaire	Percentage
Returned questionnaire	177	88.5
Unreturned questionnaire	23	11.5
Total	200	100

From the table above, 177 questionnaires were returned out of the 200 questionnaires administered while 23 questionnaires were not returned. The researcher therefore based his analysis on the 177 questionnaires (88.5%) returned by the respondent. The questionnaire has 20 questions which were presented and analysed below viz:

Question 1: What is your level in the organization?

Distribution of respondents by their level in organisation

Level in organisation	Frequency	Percentage
Junior level	81	45.76
Senior level	55	31.08
Management level	41	23.16
Total	177	100

From the above table, the largest respondent of 81 representing 45.76% are Junior level, 55 respondents representing 31.08% are senior level while the remaining 41 respondents representing 23.16% are management level.

Question 2: How long have you been in business?

Distribution of respondent according to age of business

Age of business	Frequency	Percentage
1 – 6 years	98	55.3
7 – 12 years	49	27.7
13 years and above	30	17
Total	177	100

From the Table above, majority of the respondents 98 representing 55.3% have been in business for 1 – 6 years, 49 respondents representing 27.7% have been in business for 7 – 12 years while the remaining 30 respondents representing 17% have been in business for 13years and above.

Question 3: What is the number of the following workers?

Distribution of respondents by number of workers

Number of subordinates	Frequency	Percentage
Skilled workers	121	68.4
Unskilled workers	56	31.6
Total	177	100

From the above Table, 121 respondents representing 68.4% are skilled workers while 56 respondent representing 31.6% are unskilled workers.

Question 4: What is the major problem encountered in the process of running the business?

Distribution of respondents by major problems encountered

Problems	Frequency	Percentage
Financial problem	136	76.8
Societal problem	13	7.4
Governmental problem	28	15.8
Total	177	100

From the table above, 136 respondent representing 76.8% agreed that the major problem encountered in the process of running the business is financial,

13 respondents representing 7.4% agreed that societal problem is the major problem while 28 respondent represented by 15.8% agreed that governmental problem is regularly encountered by them in running the business.

Question 5: Which of the sources of fund would you prefer?

Distribution of respondent by the source of fund

Source of fund	Frequency	Percentage
Private lender	27	15.3
Commercial banks	49	27.7
Government loans	76	42.9
Other loans	25	14.1
Total	177	100

From the Table above, 27 respondents prefer private lenders, 49 respondents prefer commercial bank loan, 76 respondents prefer government loans while 25 respondents prefer other sources of fund.

Question 6: In what ways has the government and its agencies assisted you in business?

Distribution of respondents by degree of assistance

Government and its agencies assistance	Frequency	Percentage
Moderately	125	70.6
Excessively	12	6.8
Nil	40	22.6
Total	177	100

From the tableabove, 125 respondents agreed that government has assisted them moderately, 12 respondents agreed that government has assisted them excessively while 40 respondents has no ideal.

Question 7: What is the major purpose of setting up the business?

Distribution of respondents by major purpose of setting up business

Purpose of setting up business	Frequency	Percentage
Profit maximization	51	28.8
Economic well being	103	58.2
No idea	23	13
Total	177	100

From the Table above, 51 respondent representing 28.8% agreed that their major purpose of setting up business is for profit maximization, 103 respondent represented by 58.2% agreed that economic well being is the major reason for setting up business, while 23 respondents represented by 13% has no idea.

Question 8: What is the nature of your business?

Distribution of respondents Nature of business in the study area

Nature of business	Frequency	Percentage
Production	27	15.3
Services	42	23.7
Trading	86	48.9
Total	177	100

The Table above showed that 27 respondents are of the view that the nature of their business is production, 42 respondents agreed that their business are services while 86 respondents agreed that their business is trading

Question 9: Has small business adequately supported economic development?

Distribution of respondents by Support of Small Business to Economic Development

Support to Economic Development	Frequency	Percentage
Yes	150	84.8
No	27	15.2
Total	177	100

From the Table above, 150 respondents agreed that small scale business has adequately supported economic development while 27 respondents disagreed.

Question 10: Has poor financing constituted a major challenge in the performance of SSB in Oghara community?

Distribution of respondents by Financial constraint in the performance of small scale business

Financial constraint	Frequency	Percentage
Yes	158	89.3
No	19	10.7
Total	177	100

The Table above showed that 158 respondents agreed that poor financing constituted a major challenge in the performance of small scale business while 19 respondents disagreed to this claim.

Question 11: Has inadequate social infrastructure posed a serious challenge in the performance of small scale business in Oghara community?

Problems of inadequate infrastructure in the performance of small scale business

Inadequate infrastructure	Frequency	Percentage
Yes	152	85.9
No	25	14.1
Total	177	100

From the above Table, 152 respondents agreed that inadequate social infrastructural facilities constitute a major problem in the performance of small scale business while 25 respondents disagreed.

Question 12: Does lack of managerial skill constitute a major challenge in the performance of small scale business?

Distribution of respondents by lack of managerial skill in small scale business

Managerial skill	Frequency	Percentage
Yes	146	82.5
No	31	17.5
Total	177	100

The Table above showed that 146 respondents are of the view that lack of managerial skills constitutes a major challenge in the performance of small scale business in Oghara, Delta state while 31 respondents disagreed.

Question 13: Does multiple - taxation constitute a major challenge in the performance of small scale business in Oghara, Delta State?

Problem of double taxation in small scale business

Problems of double taxation	Frequency	Percentage
Yes	161	91
No	31	17.5
Total	177	100

From the table above showed that 161 respondents agreed that multiple taxation constitute a major challenge in the performance of small scale business in Oghara community while 16 respondents disagreed to this claim.

Question 14: Does small scale business lack adequate collateral security to secure loan from financial institutions?

Lack of collateral in securing loan

Lack of collateral	Frequency	Percentage
Yes	128	72.3
No	49	27.7
Total	177	100

From the Table above it showed that 128 respondent representing 72.3% agreed that small scale business lack adequate collateral security to secure loans while 49 respondents represented by 27.7 disagreed.

Question 15: Has Small Scale Business adequately generated employment opportunities for the unemployed?

Employment opportunities for the unemployed

Employment opportunities	Frequency	Percentage
Yes	152	85.9
No	25	14.1
Total	177	100

From the above Table, 152 respondents agreed that Small Scale Business has adequately generated employment opportunities for the unemployed while 25 respondents disagreed.

Question 16: Is Small Scale Business capable of reducing regional economic imbalance?

Reduction of economic imbalance by small scale business

Economic imbalance	Frequency	Percentage
Yes	158	89.3
No	19	10.7
Total	177	100

From the above Table, it showed that 158 respondents are of the view that Small Scale Business are capable of reducing regional economic imbalance while 19 respondents disagreed.

Question 17: Has Small Scale Business assisted in reducing rural – urban migration?

Assistance in reducing rural – urban migration

Reduction in rural / urban migration	Frequency	Percentage
Yes	139	78.5
No	38	21.5
Total	177	100

From the above table, 139 respondents agreed that Small Scale Business has assisted in reducing rural – urban migration while 38 respondents disagreed.

Question 18: Has Small Scale Business assisted in developing local technology?

Development of local technology by small scale business

Development of local technology	Frequency	Percentage
Yes	158	89.3
No	19	10.7
Total	177	100

The Table above showed that 158 respondents are of the view that Small Scale Business has assisted in developing local technology while 19 respondents disagreed to this claim.

Question 19: To what extent has Small Scale Business facilitated managerial training for unskilled and semi-skilled workers?

Facilitation of managerial training for unskilled and semi-skilled workers

Facilitation of managerial skills	Frequency	Percentage
Moderately	92	51.9
Excessively	58	32.8
Poorly	27	15.3
Total	177	100

From the above Table it showed that, 92 respondents agreed that Small Scale Business has moderately facilitated managerial training for un-skilled and semi – skilled workers, 58 respondents agreed its excessive while 27 respondents believed its poor.

Question 20: Is Small Scale Business an instrument for national development?

Instrument for national development

National development	Frequency	Percentage
Yes	148	83.6
No	29	16.4
Total	177	100

From the Table above it showed that 148 respondents represented by 83.6% agreed that Small Scale Business is an instrument for national development while 29 respondents represented by 16.4% disagreed.

TEST OF HYPOTHESES

Ho: Poor financing does not constitute a major challenge in the performance of Small Scale Business in Delta State

Hi: Poor financing does constitute a major challenge in the performance of Small Scale Business in Oghara, Delta State

Chi - square method is used for this test and the method states that if the calculated chi-square is more than the value of chi-square in the table 5% (0.05) level of significance, the null (Ho) hypothesis will be rejected and the alternative (Hi) hypothesis will be accepted.

Formula for calculating chi-square X^2

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

Where:

X^2 = chi square

fo = Observed frequency

fe = Expected frequency

Level of significance = 5% (0.05)

Degree of freedom = R x C

Row = (R – 1), Column = (C – 1)

In testing the hypothesis, responses from question 10 will be used.

Question 10: Has poor financing constituted a major challenge in the performance of SSB in Oghara community?

Financial constraint in the performance of small scale business

Financial constraint	Frequency	Percentage
Yes	158	89.3
No	19	10.7
Total	177	100

Degree of freedom = (2 – 1) (2 – 1) = 1 x 1 = 1

Expected frequency (fe) = 177/2 = 88.5

Test for hypothesis 1

Financial performance

Financial constraint	Observed N	Expected N	Residual	chi -square
Yes	158	88.5	69.5	54.57
No	19	88.5	-69.5	54.57
Total	177			109.14

The calculated value is 109.14 while the critical value X^2 for Id.f at 0.05 chi-square table is 3.841. The calculated value of X^2 is higher than the table value i.e X^2 cal > X^2_{tab} (109.14 > 3.841)

Decision Rule: We accept the alternative (Hi) hypothesis and reject the null (Ho) hypothesis.

HYPOTHESIS II

Ho: Inadequate social infrastructure does not constitute a major challenge in the performance of Small Scale Business in Oghara, Delta State.

Hi: Inadequate social infrastructure does constitute a major challenge in the performance of Small Scale Business in Oghara, Delta State.

In testing this hypothesis response from the question 11 will be used

Question 11: Has inadequate social infrastructure posed a serious challenge in the performance of small scale business in Oghara community?

Problems of inadequate infrastructure in the performance of small scale business

Inadequate infrastructure	Frequency	Percentage
Yes	152	85.9
No	25	14.1
Total	177	100

Degree of freedom = (2 – 1) (2 – 1) = 1 x 1 = 1

Expected frequency (fe) = 177/2 = 88.5

Test for Hypothesis 11

Social infrastructure performance

Inadequate infrastructure	Observed N	Expected N	Residual	chi -square
Yes	152	88.5	63.5	45.56
No	25	88.5	63.5	45.56
Total	177			91.12

The calculated value is 91.12 while the critical value X^2 for Id.f at 0.05 chi-square table is 3.841. The calculated value of X^2 is higher than the table value i.e X^2 cal > X^2_{tab} (91.12 > 3.841)

Decision Rule: We accept the alternative (Hi) hypothesis and reject the null (Ho) hypothesis.

HYPOTHESIS III

Ho: Lack of managerial skill does not constitute a major challenge in the performance of Small scale Business

Hi: Lack of managerial skill does constitute a major challenge in the performance of Small scale Business

In testing this hypothesis, responses from question 12 will be used

Question 12: Does lack of managerial skill constitute a major challenge in the performance of small scale business

Managerial skill performance

Managerial skill	frequency	Percentage
Yes	146	82.5
No	31	17.5
Total	177	100

Degree of freedom = (2 – 1) (2 – 1) = 1 x 1 = 1

Expected frequency (fe) = 177/2 = 88.5

Hypothesis 111

Managerial skill performance

Managerial skill performance	Observed N	Expected N	Residual	chi -square
Yes	146	88.5	57.5	37.36
No	31	88.5	-57.5	37.36
Total	177			74.72

The calculated value is 74.72 while the critical value X^2 for Id.f at 0.05 chi-square table is 3.841. The calculated value of X^2 is higher than the table value that is, $X^2_{cal} > X^2_{tab}$ (74.72 > 3.841)

Decision Rule: We accept the alternative (Hi) hypothesis and reject the null (Ho) hypothesis.

HYPOTHESIS IV

Ho: Multiple - taxation does not constitute a major challenge in the performance of Small Scale Business in Oghara community

Hi: Multiple - taxation does constitute a major challenge in the performance of Small Scale Business in Oghara community

In testing this hypothesis, responses from question 13 will be used

Question 13: Does multiple - taxation constitute a major challenge in the performance of small scale business in Oghara, Delta State?

Problem of double taxation in small scale business

Double taxation	Frequency	Percentage
Yes	161	91
No	16	9
Total	177	100

Degree of freedom = (2 − 1) (2 − 1) = 1 x 1 = 1

Expected frequency (fe) = 177/2 = 88.5

Hypothesis IV

Taxation performance

Double taxation	Observed N	Expected N	Residual	chi -square
Yes	161	88.5	72.5	59.39
No	16	88.5	-72.5	59.39
Total	177			118.78

The calculated value is 118.78 while the critical value X^2 for Id.f at 0.05 chi-square table is 3.841. The calculated value of X^2 is higher than the table value i.e $X^2 cal > X^2_{tab}$ (118.78 > 3.841)

Decision Rule: We accept the alternative (Hi) hypothesis and reject the null (Ho) hypothesis.

FINDINGS OF STUDY

From the above analysis carried out, the four (4) major findings of the study are as follows:

(i)   Poor financing constitute a major challenge in the performance of small scale business in Delta State

(ii)   Inadequate social infrastructure constitute a major challenge in the performance of small scale business in Oghara community

(iii)   Lack of managerial skill constitutes a major challenge in the performance of small scale business in Oghara, Delta State.

(iv)   Multiple taxation constitute a major challenges in the performance of Small Scale Business

DISCUSSION OF FINDINGS

Firstly, the challenge of poor financing is a serious threat to the growth and sustainability of Small Scale Business in Oghara, Delta State. This has made most Small Scale Business handicapped in granting credit sales to its trusted customers as the little available capital will be tied down, hence affecting sales and customer relationship negatively. The banks are not willing to grant the needed loan to these small scale businesses as a result of non availability of the required collateral demanded by the bank. The small scale business owners are therefore left with the only option of ploughing back their profit which is too small to bring about the needed growth and expansion the small scale business owner so desire, therefore little or no growth is inevitable.

Secondly, the issue of lack of social infrastructural facilities further worsen the challenge of poor financing as the little fund available for the running of the business will be diverted to provide need social infrastructure that the government failed to provide such as electricity, security, water etc. this has resulted to the winding up of several small businesses in Oghara, Delta State. A very good example is the recent privatization of PHCN by the federal government which has brought about a triple increase in electricity bill while the electricity supply still remains epileptic.

Thirdly, lack of managerial skill is one of the most critical challenges hindering the growth and proper management of resources that is needed for the business to blossom and flourish. Most small scale owners lack the needed managerial skills to drive and manage their business effectively and efficiently. Their inability of proper management has resulted to wastage of both financial and material resources. Most small scale businesses owner are illiterate; hence don't have any formal education or managerial skill for managing the business. They also lack the needed financial resources to employ professionals to manage the business.

CONCLUSION

The prospect of operating Small Scale Business are too enormous to mention, some include the provision of employment opportunities at low investment cost, even distribution of industrial development, facilitating the growth of non – oil exports, development of entrepreneurial capabilities and indigenous technology, reduction in rural-urban migration, increase in gross domestic product etc. The problems cannot be ignored as it has hindered the effective and efficient performance of these small scale businesses. From our analysis so far, we have been able to find out major challenges of small scale business in Oghara, Delta State which include poor financing, inadequate social infrastructure, lack of managerial skill and multiple taxation. These and among others have constituted major challenges in the performance of small scale business in Oghara, Delta State.

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