THE ROLES OF SMES ON ECONOMIC DEVELOPMENT
(A Case Study of Selected Local Government in Yobe State)

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Abstract

Over the years, entrepreneurial development has been seen as a vital enabler for economic development. When an entrepreneur succeeds, there is tendency for expansion of the business and also engage more people through employment, which leads to creation of wealth within the immediate locality. The contributions of SMEs to Nigeria's economy are not contestable as about 10% of the total manufacturing output and 70% of the industrial employment are by SMEs. And study has shown that Entrepreneurial Orientation had been confirmed as a factor having a positive bearing on business performance through the creation of a competitive advantage that transmutes into substantial financial success and in turn translate into creation of employment while increase in profit will translateinto higher government revenue generation but unfortunately the reverse has been the case for most SMEs as the mortality rate is high. As a result, the study adopted a primary method of data collection in order to ascertain the cause of this by administering 400 questionnaire to SMEs in four local government area and it was found that entrepreneurship contribute a great deal towards the development of every society, Yobe inclusive. It was found that SMEs mortality are high due to some elements in the business environment such as insecurity, unfair business practice among business owners, high cost of doing business among others. It is recommended among others that enabling environments should be availed businesses such as provision of secured and conducive environment, provision of loans for start-up and sustenance of distressing business.

Keywords: SME, Entrepreneur, Business, Employment, Economic Growth

Introduction

When the entrepreneur of SMEs has intention to commence business, the intentions are usually to build organization that will be successful in the future. The result of creating a successful organization leads to economic development via generating employment opportunities, creation of SMEs and also creation of wealth (Nkem& Mercy, 2014).

If an entrepreneur succeeds, there is much tendency for expansion of his business and as well engage more people through employment, which leads to creation of wealth within the immediate locality and as well as economic development. Louail (2020), consider tourism as an SMEs and it serves as the bedrock of economic development of a country.

Entrepreneurship also helps in bringing about economic development especially via creation of wealth, generation of employment opportunities, as well as enhancing the competitive ability of the present SMEs. When employment is generated as well as growth in the numeric of entrepreneurs or SMEs, economic growth and development often take effect. When there are large numbers of SMEs in a particular location, there is this possibility for the people in such location to be gainfully employed by these firms. By this, entrepreneurship development can be described as a vital enabler for economic development. Furtherance to this, numerous scholar have widely acknowledged that entrepreneurship is the engine of economic development (Gangi and Timan, (2013), Gómez-Haro, Aragón-Correa &Cordón-Pozo, (2011); Bosma, and Schutjens, 2009). Several studies have been carried out on the subject matter which showed the relationship that exist between entrepreneurship in relations to other factors (e.g. economic development, employment etc.) however there has not been study establishing the relationship that exist between entrepreneurship and economic development in Yobe state so this necessitated the need for the researchers to carry out the research in the case study area.

Statement of the Research Problem

The contributions of SMEs to Nigeria's economy are not contestable as about 10% of the total manufacturing output and 70% of the industrial employment are by SMEs (Aina, 2007). Through the utilization of local resources, SMEs promote industrial and economic development and are responsible for the production of intermediate goods and the transformation of rural technology (Aina, 2007).

Theoretically, it was emphasized that Entrepreneurial Orientation had been confirmed as a factor having a positive bearing on business performance through the creation of a competitive advantage that transmutes into substantial financial success (Wiklund, 1999). This positive performance should translate into creation of employment while increase in profit will translate into higher government revenue generation as well increases which will eventually lead to economic growth. Unfortunately, this is unrealizableland this can be due to the insecurity that dampens the morale of this entrepreneur, unstable political activities and government policies that change rapidly and unexpectedly thereby affecting the performance of the firm.

Over the years, small and medium scale enterprises (SMEs) have been an avenue of job creation and the empowerment of Nigerian citizens, providing about 50% of all jobs in Nigeria and also for local capital formation. However, the mortality rate of these small firms is very high.

This is usually accounted for as a result of government policies that regulate entrepreneurship and economic development.

The objective of every entrepreneur is to be ahead of its competitors and maintain her leadership among its peers. In other to remain ahead among competitors, there is the need to be innovative. Innovative ideas are usually conceive as a result of unmet needs of consumers. They look at better ways of doing things. Unfortunately, the innovativeness of entrepreneur in Yobe state seems to be affected by the forces of unstable government policy, insecurity and unfavorable taxation system.

Objectives of the Study

The specific objectives are :

1.   Ascertain the extent of entrepreneurial orientation towards growth and development.

2.   Evaluate regulating effect of government policies on entrepreneurship and economic development.

Research Questions

1.   To what extent does entrepreneurial orientation influences economic development?

2.   To what extent does regulating effect of government policy on entrepreneurship affect economic development?

Null Hypotheses

The following are null hypothesis for the study:

1. H_{o1}: entrepreneurial orientation has no effect on economic development

2. H_{o2}: there is no significant relationship between government policy on entrepreneurship and economic development

Significance of the Study

This study is relevant to the government of Yobe state, the country at large and entrepreneurs as well as academicians.

Firstly, the implication from this study will inform the policy makers in Yobe state on how to strategise and make policy that will encourage the growth of SMEs in the state thereby leading to economic development of the state among her peers.

For the academician, though there have been extant literature on this topic but few or not at all has been specific on Yobe state. Most work have not been tailored to the state considering the uniqueness the state possesses. So, this work will be a foundation that others researchers can build on

For entrepreneurs, this research intends to explain the problems SMEs face in the state and make recommendation on ways this problem can be corrected and avoided.

The society at large will benefit from this work because everyone individual that resides in the state will benefit from economic development that this study will unveil. It will be beneficial as well to them because it makes prospective entrepreneurs expose to the dynamism of their business environment and as well creation of employment opportunities.

Literature Review

The Monetary Policy Circular No. 22 of 1988 of the Central Bank of Nigeria defined small-scale enterprises as enterprises whose annual turnover was not more than N 500, 000. In the 1990 budget, the Federal Government of Nigeria defined small-scale enterprises for purposes of commercial bank loans as those with an annual turnover not exceeding N500, 000 and for Merchant Bank Loans, those enterprises with capital investments not exceeding 2 million naira (excluding cost of land) or a maximum of N 5 million. The National Economic Reconstruction Fund (NERFUND) put the ceiling for small-scale industries at N10 million. Section 37b(2) of the Companies and Allied Matters Decree of 1990 defines SMEsas one with an annual turnover of not more than N 2 million and net asset value of not more than 1 million naira (Ekpenyong & Nyong, 1992). The Small and Medium Enterprise Equity Investment Scheme (SMEEIS) sees the SME as "any enterprise with a maximum asset base of N500 million (excluding land and working capital), and with no lower or upper limit of staff". However, for tax purposes, Section 40(6) of the Companies Income Tax Act Cap C21 LFN 2004 alludes to companies with a turnover of N1 million and below operating in the manufacturing, agricultural production, solid mineral mining, and export trade sectors as SMEs; While subsection 8 states that as from 1988 all companies engaged in trade or business with a turnover of N500, 000.00 and below qualify as small and medium enterprises (Iwuji, 2009). Variations amongst government establishment and stakeholders make the concept of SMEs relative and dynamic (Olorunshola, 2003). Aderemi (2003) noted that, SMEs in Nigeria are usually small in size and their business are managed by owner or family in offering basic goods and services. It can be characterized as having deficiency in organizational and management structures when compared with their counterpart in the advance cities who are more structuredin their organization. This can be regarded as one of the most general characteristics of SMEs in Nigeria. Olorunshola (2003) from his own perspective explains that this style of ownership has led small and medium enterprises into having a management structure that is simple.

Furthermore, Hanefah, Ariff, &Kasipillai (2002) said, the processes involved in production of SMEs are mostly labour-intensive and they mostly served as suppliers for the larger manufacturing firms with their operations being highly

dependent on raw materials sourced locally. They also require a lower startup capital than the larger companies (Akinsulire, 2010).

Conceptual Framework

A. Concept of SMEs in Nigeria and her economy

Almost every nation of the world today has witnessed a slowdown in their economy and this includes both the developed and developing countries but countries in Africa for the past 15 years has taken exception to this because of their sustained growth economically which is always above 5% annually (Sunday &Ehiejele, 2017). Every succeeding government in Nigeria after she gained her independence in 1960 has engaged in the quest for increasing overall growth and productivity of her domestic economy (Bello & Mohammed, 2015). Due to this, the federal government has come up with different policies which has been implemented for various national economic policies targeted at improving productivity and diversification of domestic economy that will help SMEs in the country. Part of these is human capital development which according to Ilesanmi and Chidi (2020) constitute an important tool which is required in the contemporary world for national prosperity and reaching greater heights in almost all spheres of life, economic growth inclusive. Ever since the adoption of structural Adjustment Program in 1986, the country has witnessed a turnaround which has resulted to capital intensive, ostentatious, large scale industrial scheme that are based on the ideology of export promotion and import substitution which have great potential for developing local linkages in order to foster rapid and economic growth.

Aside from the potentials SMEs possesses, in order to ensure a self-sufficient and reliant industrialization i.e in a way of relying majorly on locally sourced raw materials, they also occupy the position of boosting the use of local raw-materials for production which will invariably guarantee development in both urban and rural area, creates job opportunities for her citizens as well as ensure the growth and exportation of non-oil product (Imoughele, Lawrence &Ismaila, 2012).

SMEs have an important and significant part to play in the development of the economy of every nation (Iweka, Babajide, &Olokoyo, 2016). SME is considered as a major sector which supports the growth of every country's economy, for the creation of wealth and generation of employment opportunities (World Bank, 2013; Osotimehin, Jegede, Akinlabi & Olajide, 2012). SMEs in Nigeria whether in services, ICT, agriculture, manufacturing and other sector has been classified as the driving force and contributed significantly towards growth of the economy (Naranjo-Valencia, Jimenez-Jimen&Sanz-Valle, 2016). This is because economic growth leads to the expansion of human capabilities and wellbeing which plays a vital role in determining quality of life (Parekh, 2018).

Though the Nigeria government depends on her crude oil for generating internal revenue, there have been some substantial increase and growth in the performance of SMEs and competitiveness most especially manufacturing sector and has opened various doors of investment that are both tangible and intangible as well as creation of employment (Imeokparia & Ediagbonya, 2014). Despite the multitude of challenges SMEs faces, SMEs has grown rapidly as regards creation of job opportunities and business venture over the years (SMEDAN, 2012). Study show that SMEs has gainfully employed approximately 90% of Nigeria's working population (Okeke, Onuorah, &Jakpa, 2016). Furthermore, there are suggestion from previous research that majority of operators in manufacturing sectors of SMEs are either in delivery of goods, processing or production of goods and services (NBS & SMEDAN, 2013). Due to this, in order to achieve a high level of economic development that will lead to low dependent on crude oil and redistribution of wealth, Nigeria government seek rescue through the SME sector via diversification (Osinbajo, 2015).

B. Concept of SMEs in Yobe State

In terms of agriculture, Yobe state has significant impact in rearing of livestock and cultivation of food cropsin Nigeria due to her fertile soil that is good for cultivation of arable plants. The state boasts of cultivable land mass area that is approximately 2,447,250 hectares (Yobe State ministry of Land and Survey, 2012). The livestock

that are reared by these farmers are majorly: sheep, goat, camels and cattle.

SMEs can be said to be as old as Nigeria itself and had a significant impact towards her contribution to its growth in terms of her economy. SMEs assists countries by promoting economic growth that includes Nigeria, hence, the reason why government at all levels in the country have developed different policies at different point in time to not only sustain SMEs but as well continue to promote the sector (Ayozie&Latinwo, 2010).

C. Entrepreneurial Orientation

Entrepreneurial Orientation (EO)can be said to be an organizational activity, characterized as being proactive and innovative, aggressive in competition, having behavior of taking risk and encouragement of individual to work and articulate one's conviction/ initiative (Lan& Wu, 2010). According to Abdul Majid, Kamaludin, Saad and Aziz (2012), they conceptualize entrepreneurial orientation to be the strategy of oraganisational procedure and styles used in entrepreneurial activities.

SME in the competitive and high performing sector are crucial for the attainment of social and economic development of any country. Lumpkin and Dess (1996) argued that the rightful configuration for an entrepreneurial orientation in achieving high performance is crucial depending on environmental and industrial variables as well as the structure of the managerial characteristics of firms existing. Miller (1983), conceptualizes the three main dimensions in Entrepreneurial orientationas risk-taking, proactiveness and innovativeness. He stressed that "an entrepreneurial firm is one that engages in product market innovation, undertakes somewhat risky ventures and is first to come up with 'proactive' innovations, beating competitors to the punch. Naldi et al. (2007) made suggestion that EO is inevitable for business enterprise with the intention to prosper in a business environment that is competitive and there is a positive correlation between firms' performance and EO. Researches on EO links performance and growth of SMEs to degree of firms EO or the will power and competence of the SMEs to be proactive, innovative and risk taking

ability in the face of market opportunities(Liu, Monolova& Edelman, 2009; Otieno, Bwisa&Kihoro, 2012).

D. Government Policy on SMEs

In developing economies, Nigeria for instance, there is need to develop further its private sector via creation of conducive environment that favors the growth of SMEs, strengthen factors that will lead to success of business and tackling the problems posing challenges to their existence and advancement of SMEs in order for them to be able to adequately play their expected role in transforming the economy(Chu, Kara &Benzing, 2008). The role includes mobilizing domestic saving for the purpose of investment, significant contribution to GDP, better usage of local raw materials, creation of employment and substantial contribution in reducing poverty via sustained livelihood and enhancement in the personnel income, advancement in technology as well as diversification of export (Smatrakalev, 2006). Perceived corruption, infrastructural facilities inadequacy, instability in policy and lack of public funds accountability has given a major setback on the market which is as a result of government policy inconsistency. It is due to this that the World Bank has described Nigeria as a paradox (Smatrakalev, 2006). Ariyo (2000) stated that the forefront of current efforts aimed at improving and modernizing Nigeria's sick economy, there have been strident attention on stabilizing macroeconomic and search of liberalization of investment and massive trade programs for the main purpose of encouraging foreign direct investment in such country. If Nigeria want to attain its full potential both social and economic development, SMEs should neither be ignored nor rejected because it add simultaneously to the country's economy truly. The most crucial among the development issues Nigeria faces is the need for designing and implementing policies and efficient strategies, diversified and competitive economy which will lead to creation of employment, eradication of poverty and wealth creation. In other to achieve this, a viable and strong entrepreneurial base is essential for the attainment of this growth and economy prosperity (Dabo, 2006).

Theoretical Framework

Personality Traits Theory

Personality traits are steady attributes that an individual exhibits in most circumstances (Coon, 2004). Personality traits are seen as enduring inborn qualities or potentials of the individual that naturally make him an entrepreneur. Some of the characteristics or behaviors associated with entrepreneurs as highlighted by Coon (2004) are: tendency towards being more opportunity driven, demonstration of high level of creativity and innovation, display of high level of management skills and business know-how, optimism, emotional resilience and mental energy, hardworking spirit, intense commitment and perseverance, competitive desire to excel and win, tendency to be dissatisfied with the status quo and desire for improvement, transformational in nature, lifelong learners and often use failure as a tool and springboard. Going by Coon's personality trait theory, SMEs owners personality are bent towards this direction going by the perceived hindrance to doing business, the entrepreneurial orientation of business owners are high with a resolve to excel despite the challenges they may be exposed to.

Methodology

A.   Research Design

The research design adopted for this study is descriptive approach. The study adopted primary method of data collection through administration of questionnaire to current entrepreneur of SMEs. The descriptive statistics enhanced the possibility of evaluating the role of SMEs on economic development and factors affecting their effectiveness in their immediate environment which is Yobe state. Therefore, this study employed both qualitative and quantitative methods of analysis in order to provide a valid outcome from the study.

B.   Sources of Data

The study used both primary and secondary sources of data. The primary source of data was collected by administration of questionnaires to respondents (that consisted entrepreneur owners and employees of SMEs) through the design of questionnaire for that purpose and interview conducted where necessary. The questionnaires were administered to SMEs that are made up of both men and women who have their business(es) in selected local government of Yobe state.

The secondary data used for the study are extracted from relevant documented works, published and unpublished with respect to SMEs and economic development in Yobe state. For instance, existing data that are useful to the study.

C.   Population of the Study

The population of the study consist of entrepreneurs that have their businesses in the selected local government in Yobe state. Emphases are on all entrepreneurs of SME scale with regards to the selected location of the business which include the four local government areas of Damaturu, Potiskum, Nguru and Gashua. The choice of which is attributed to the nature of entrepreneurial activities in these areas and their contribution to the economy of the state. Four hundred (400) questionnaires were administered to SMEs owners randomly in the four selected local government in order to ensure unbiased selection. Out of the 400 questionnaires administered, 243 were considered useful for the purpose of this research.

D.   Instrumentation

The study adopted questionnaire administration and interview. In designing the questionnaire, both the close and open ended questions were adopted. The close ended questions provided options for the respondents to choose from. The options provided are "Strongly Agree", "Agree", "Undecided", "Disagree" and "Strongly Disagree". On the other hand, the open ended questions will seek the respondents' opinions or views on some issues raised in the questions asked, which do not hunt the respondents to any particular choice rather, they can freely express their opinion in their own words.

E.   Method of Data Analysis

In analyzing the data collected, the research is guided by the research objectives, hypotheses, and research questions. Items on the question naire are

spread out in order to capture the qualitative responses expected from the respondents. The study adopted simple percentage in analysis the demographic while regression was used in testing the hypotheses. Simple percentage and multiple regressions methods enables us to assess the proportional percentage of the respondents' opinions in the questions asked while multiple regressions helped in assessing the correlations of the variables in the research hypotheses.

Hypotheses Testing

The two null hypotheses that were earlier raised in the study were tested using regression analysis method. Hypotheses testing are ways of testing claim's or idea. The p-values in the regression coefficient tables are used for testing the research hypotheses. The p-value is at 0.05 (5%) level of significance and if. If the probability value of 0.00 is smaller than the critical value of 5% (i.e. 0.00 < 0.05), we conclude that it is statistically significant.

The Decision Rule

If the probability value calculated is greater than the critical level of significance, then the null hypotheses will be accepted while the alternate hypotheses is rejected and vice versa. If the probability value of 0.00 is smaller than the critical value of 5% (i.e. 0.00 < 0.05), we conclude that it is statistically significant. In this situation, it is accepted that there is need to reject the null hypotheses and to accept the alternate.

ANALYSIS OF DEMOGRAPHIC DISTRIBUTION

Table 1 : Valid Data Statistics

		Gender	Years	School	Sector	Status
N	Valid	243	243	243	243	243
	Missing	0	0	0	0	0

Source : Statistical Output

The result showed that 243 questionnaire was considered valid and suitable for the analysis. Therefore, 243 questionnaires were used for the study.

Table 2 : Gendra Distrubution of Respondents

Frequency	Percent	Valid Percent	Cumulative Percent		
Valid	Male	190	78.2	78.2	78.2
	Female	53	21.8	21.8	100.0
	Total	243	100.0	100.0	

Source : Statistical Output

The table above showed that 78.2% representing 190 of the respondent was made up of male while 21.8 representing 52 are female. The result shows that male have an overwhelming number when compared to the female. There is an unequal distribution of gender among owners of business in Yobe state.

Table 3 : Marital Status of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Single	105	43.2	43.2	43.2
	Married	114	46.9	46.9	90.1
	Divorced	24	9.9	9.9	100.0
	Total	**243**	**100.0**	**100.0**	

Source : Statistical Output

The table above shows the marital status of entrepreneur in selected local government in Yobe state. The single amongst owner of SMEs is 105 representing 43.2% of the total respondent while married has the highest of 46.9% representing 114 of the population of study and divorced having the lowest of 9.9% representing 24.

Table 4 : Age Distribution of Respondents

Years	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	18-27	63	25.9	25.9	45.8
	28-37	71	29.3	29.3	55.2
	38-47	58	23.9	23.9	79.1
	48-57	34	13.9	13.9	93.0
	58 and above	17	7.0	7.0	100.0
	Total	**243**	**100.0**	**100.0**	

Source : Statistical Output

Age distribution of respondent shows that the age bracket of 28-37years have the highest population with 29.3% followed by 18-27years with 25.9%. 58years and above have the lowest of 7.0% followed by 38-47years with 23.9% and 48-57years have 13.9% of the total population.

Table 5 : Educational Distribution of Respondents

Level	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Primary	56	22.9	22.9	22.9
	Secondary	121	49.8	49.8	72.6
	HND/BSC	41	16.9	16.9	89.6
	Postgraduate	25	10.4	10.4	100.0
	Total	201	100.0	100.0	

Source : Statistical Output

The educational level of entrepreneur shows that 22.9% are primary school graduate, secondary school which is the highest have 49.8%. HND/BSC holder in the state represents 16.9% and postgraduate holder are 10.4%. The above table shows that entrepreneurs are moderately educated.

Table 6 : Business Sector Classification of Respondents

Business Sector					
Types	**Frequency**	**Percent**	**Valid Percent**	**Cumulative Percent**	
Valid	Farming	103	42.3	42.3	42.3
	Telecommunication	33	13.4	13.4	55.7
	Transport	57	23.4	23.4	79.1
	Textiles	25	10.4	10.4	89.6
	Others	25	10.4	10.4	100.0
	Total	**201**	**100.0**	**100.0**	

Source : Primary Data

The table shows that majority of the respondent are farmers representing 42.3% of the total population of study, followed by transportation sector with 57 representing 23.4%. Telecommunication sector have 13.4 % while textiles and other business sector share the same 10.4 % each

Hypothesis One Testing

Ho$_1$: Entrepreneurial Orientation has no effect on economic growth and development of Yobe state.

Table 7 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.886a	.786	.781	1.4119
a. Predictors: (Constant), EO				

Source : Statistical Outpur

The table above shows that the R-value to be .886 indicating that there is strong a positive relationship between entrepreneurial orientation and economy growth of Yobe state. It has 88.6% degree of relationship with Yobe state in development and growth of the economy. The R Square is .786. it shows that 78.6% of the growth and development of Yobe state evolves round about EO of businesses there.to

Table 8 : Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	⁻1.035	1.610		-.643	.523
	EO	1.031	.078	.886	13.270	.000
a. Dependent Variable: CONSTANT						

Source : Statistical Output

The table above shows that the p-value calculated is less than the p-value critical (0.00>0.05 and Beta value at 0.73 or 73%). This implies that, the Null hypothesis should be rejected while the alternate hypothesis is to be accepted, that is, there is a significance relationship between Entrepreneurial Orientation and economic growth and development of Yobe state.

Discussion of Findings

Entrepreneurial Orientation has a significant and positive effect on economic development of Yobe state. $\beta = 0.886$ at $p < 0.05$. The result shows that entrepreneurial orientation have a major role to play when considering this economy growth and development of Yobe state. From the result obtained from the analysis, entrepreneurial orientation must be encouraged if the government wants to have the expected growth and development of Yobe state. With the result obtained, Entrepreneurial Orientation has a significant relationship with economic growth and development of Yobe state. EO can be a major tool for government in the area of supporting and helping businesses expand their as proper use of this as a tool has the capacity of delivering tremendous result in this respect.

Hypothesis Two Testing

Ho₂: there is no relationship between government policy on entrepreneurship and economic development of Yobe state.

Table 9 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.812[a]	.660	.653	1.7795
a. Predictors: (Constant), GP				

Source : Statistical Output

The summary results of the linear regression analysis, show that the R=.812, R-square = .660 (81% and 66%) of the variance explained by the model, indicating that government policy on entrepreneurship has a high impact on economic development of Yobe state.

Table 10 : Coefficient[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.947	2.202		-.430	.669
	GP	1.026	.106	.812	9.647	.000
a. Dependent Variable: CONSTANT						

Source : Statistical Output

From the analysis in the table above, it is shown that the p-value calculated is less than the p-value critical (0.00>0.05 and Beta value at 0.812 or 81%). This implies that, there is a significance relationship between government policy on entrepreneurship and economic growth and development of Yobe state.

Discussion of Findings

Government policies on entrepreneurship have a high positive and significant effect on economic development of Yobe state. β = 0.812 at $p < 0.05$. This means that as government makes improve and better policies on entrepreneurship, this will result to economy growth and development of the state. From the analysis above, we can therefore, concludes that government policies on entrepreneurships have a positive effect on economy growth and development of Yobe state and further the effect was significant.

Conclusion and Recommendation

The study concludes from its findings that entrepreneurship contribute a great deal towards the development of every society, Yobe inclusive. However the contribution quota of SMEs in Yobe ought to be higher or can still be higher if more attention is being given to them. However, SMEs mortality are high due to some elements in the business environment such as insecurity, unfair business practice among business owners, high cost of doing business as a result of inappropriate business logistics and this leads to SMEs extinction in their third to fifth year in business. Based on these findings, more enabling environments should be provided for the SMEs in the area ofprovision of loans for startup and sustenance of distressing business, government policy that encompassessecured and conducive environment, periodic training and refresher course should be conducted on how innovative technology, business innovativeness and other better ways of doing business will be taught. Although majority of SMEs are into production of goods at the raw state, policies should be made on how to encourage bigger businesses to patronize localentrepreneurs producing rawmaterials that can be utilize for furtherproduction by businesses and government in the state. Taxation constitutes a major component of government revenue and although the government has been fair with its tax policies, however, it is recommended that government should give tax holidays to new start-ups as a way of encouraging them to and ensuring their business survival which in the long run will be beneficial to the state and the entrepreneur as well.

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