

Research Article

Role and Contribution of Small and Medium Scale Business on Socio Economic Development in Damaturu Yobe State

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Abstract— The goal of the study is to evaluate how small and medium-sized businesses affect the socioeconomic development of Damaturu, Yobe State. Additionally, the purpose of the study is to determine the contribution of small and medium-sized businesses to socioeconomic development in Damaturu, Yobe State, as well as to evaluate how well these businesses are performing in this regard. The investigation was guided by both classical and current notions. The research design used in the study was descriptive. The SMEs in Damaturu are the research's target population. A questionnaire was employed in the study as a data gathering tool. Using a straightforward random sampling method, eighty (80) SMEs were chosen from this population pool. The data are examined using the table and percentages way of presentation analysis, and the researcher uses the statistical tool chi-square to examine and assess the study's hypothesis. The study found that small and medium-sized business performance and socioeconomic development are significantly correlated, which is therefore acknowledged. It also found that small and medium-sized businesses specifically contribute to Yobe State's socioeconomic development. The study makes several recommendations, including that the federal government should work harder to ensure that banks established to support the revival of the SME sector—like NIRSAL—are always operating as expected in order to achieve the desired outcome; business organizations, particularly SMEs, should work toward registering their companies; maintaining proper records and developing strong business plans are also necessary in order to be eligible for government grants and aid.

Keywords— Role, Contribution, Small and Medium Scale, Businesses, Socio Economic, Development.

1. Introduction

Small and Medium Enterprises (SMES) are essential to a country's economic development. In both developed and developing nations, such as Nigeria, SMES actively participate in the industrialization and economic growth processes. In addition to boosting output and per capita income, SMEs also foster the efficient use of resources, which is seen to be essential for fostering economic development and expansion, and they generate job opportunities [8]. Therefore, small and medium-sized businesses' existence is highly inevitable due to their impact and potential contribution on a wide range of bases, as well as their accelerated effect in achieving macroeconomic objectives pertaining to full employment, income distribution, and the development of local technology. Therefore, it is impossible to overstate the significance of small and medium-sized companies in particular to the overall economic development of any country, especially one that is still developing like Nigeria, especially in Damaturu, Yobe state. As a result of the significant contribution this subsector makes to economic growth, researchers, policy makers, and entrepreneurs are becoming increasingly interested in the

development of Small and Medium Enterprises (SMEs) through efficient financing choices. Such industrial development and expansion are mostly driven by Small and Medium Scale Enterprises (SMES). This is primarily because of their enormous capacity to guarantee both the achievement of the fundamental goals of development and the diversification and extension of industrial production. SMES contribute to the achievement of self-reliance by utilizing local technologies and raw materials. Additionally, governments at all levels—local, state, and federal—have in one way or another concentrated on the ability of small and medium-sized businesses to generate revenue. Others concentrated on helping SMEs grow through soft loans and other fiscal incentives in order to enhance the socio-economic development of the economy, such as reducing poverty, creating jobs, enhancing human development, and improving social welfare of the populace. Some governments had formulated policies aimed at facilitating and empowering the growth and development and performance of SMEs.

[12] contends that in both industrialized and developing nations, small and medium-sized businesses are acknowledged as the primary driver of economic growth and

as a key element in fostering private sector collaboration and development.

[2], they also aid in the creation of jobs and are frequently regarded as being crucial to the expansion and invention of dynamic economic on the socioeconomic development of the entire nation. As a result, small and medium-sized businesses are making an increasing contribution to both national and global economies.

[23] enumerated the benefits that small and medium-sized businesses bring to an economy, particularly developing ones: increased use of raw materials, creation of jobs, promotion of rural development, entrepreneurship, mobilization of local savings, connections with larger industries, maintenance of regional balance through more evenly distributed investments, opportunity for self-employment, and opportunity for managers and semi-skilled workers to receive training.

Statement of the Problem

The Contribution of Small and Medium-Sized Enterprises to Economic Development and Growth in Yobe State Damaturu. Small and medium-sized businesses are the main drivers of economic growth in many nations. According to [5], SMEs have accounted for over 70% of exports from countries like Malaysia, Thailand, China, and India, which explains why these nations have been expanding rapidly. Many obstacles face SMEs in Nigeria, which has a significant impact on their development.

Even though Nigeria has a large number of small and medium-sized businesses, especially in Damaturu, socioeconomic growth is typically a challenging goal to achieve. For this reason, this project

Objectives of the Study

This study's primary goal is to evaluate the contribution of small and medium-sized enterprises to the socioeconomic development of Damaturu, Yobe State. The study's other particular goals are to:

- i. Determine how small and medium-sized businesses contribute to socioeconomic development.
- ii. Determine how small and medium-sized businesses have impacted the socioeconomic growth of Damaturu, Yobe State.

Research Questions

The following Research Questions were put out in the study:

- i. How do small and medium-sized enterprises contribute to the socioeconomic advancement of Damaturu, Yobe State?
- ii. In what ways do small and medium-sized enterprises advance socioeconomic development?

Hypothesis of the Study

The null hypothesis chosen for this study is as follows. A research hypothesis is a statement of facts about two or more variables that have not yet been tested [4].

Ho1: The socioeconomic development of Yobe State is not specifically aided by small and medium-sized enterprises.

Ho2: Damaturu, Yobe State's socioeconomic development is not aided by small and medium-sized enterprises.

2. Related Work

In order to gain a more comprehensive understanding of what has already been written about by various authors regarding the impact of small and medium-sized business performance on the socioeconomic development of communities, limiting factors on SME growth, and strategies that have been put into place to promote the growth and development of SMEs—including the theoretical framework adapted by various researchers on the research topic—the researcher reviewed the relevant literature that was available for the study in this section.

Nigeria still has a lot of promise, but it also has a lot of development reluctance. The nation is endowed with a plentiful amount of undeveloped solid mineral resources, huge human agriculture, petroleum, and gas resources [19]. The nation has seen decades of political turmoil since breaking away from British rule in [8], which has resulted in a socially tensioned environment and an unstable corporate environment. Investors who had previously viewed the nation as a sizable and expanding market have been turned off by the subsequent violent takeover of government through military coup and the indigenization strategy in the late 1970s. There is a perception of corruption, policy instability, inadequate infrastructure development, and a lack of responsibility for public monies because of the nature of this government. Nigeria was dubbed a conundrum by the World Bank because of these factors [11]. Given that industrial production has decreased or stalled over the previous ten years, this is also true for the majority of sub-Saharan African nations [6].

Since gaining independence, the Nigerian government has reportedly spent enormous sums of money on programs to support small businesses and entrepreneurship that are funded by external funding institutions. These programs, however, have typically resulted in poor outcomes due to bureaucratic bottlenecks and end up in the pockets of public office holders. Notwithstanding these setbacks, it is impossible to overlook the importance of middle-class Nigerians' small businesses, which they founded with their own money, gifts, loans, and occasionally revenue. According to [15], it is acknowledged that SMEs have a crucial role in development. He read from the work of [17], who observed that SMEs continue to play a significant part in the economy of developed nations like the USA, where large cooperation is the norm. The Nigerian government is said to have invested vast sums of money on initiatives to encourage entrepreneurship and small enterprises that are supported by outside funding organizations since the country's independence. However, because of bureaucratic inefficiencies, these projects have usually produced subpar results and wind up in the pockets of public office holders.

Despite these obstacles, the significance of the small companies owned by middle-class Nigerians—which they started with their own funds, gifts, loans, and sometimes even income—cannot be understated. It is well known that SMEs play a critical role in development, according to [15]. He read

from [17], who said that in industrialized countries like the USA, where extensive cooperation is the norm, SMEs continue to play a substantial role in the economy.

Empirical Review

Conducted research on Nigeria's Small and Medium-Sized Enterprises: The Issues and Future Prospects. The study's goal was to investigate how Nigerian small and medium-sized enterprises (SMEs) function in relation to issues that hinder their ability to grow and reach their full potential as well as opportunities for improvement and development that could lead to the creation of jobs, economic expansion, and national development. The study used a descriptive research design, wherein a structured questionnaire was given to a sample selected from the study population. Chi-square (X^2) was used to examine the gathered data. It was discovered that, if handled correctly and attentively, small and medium-sized businesses play a critical part in the socioeconomic wellness of the populace. The study draws the conclusion that reviving Small and Medium-Sized Enterprises (SMEs) with a stronger commitment to economic reform will be a turning point in aiding Nigeria's economy and national development based on the findings.

[9] carried out a study to determine how Nigeria's socioeconomic development is affected by small and medium-sized enterprises (SMEs). Finding out how Nigeria's economy is impacted by small and medium-sized enterprises (SMEs) was the main goal. The study used a survey research approach, giving the sample selected from the study population access to a standardized questionnaire. The chi-square (X^2) analysis of the data revealed that small and medium-sized enterprises (SMEs) play a significant role in stimulating the nation's economy. As a result, policies supporting the expansion and survival of SMEs have been implemented at all levels of government at various points in time. This suggests that small-scale industry orientation is ingrained in Nigerian history. In the communities, there is much proof of the achievements our great grandparents achieved with their individual trading businesses, yam barns, cottage industries, and similar ventures. [18] carried out research on the effects of small and medium-sized businesses on the economy. The purpose of the study was to ascertain how small and medium-sized businesses affect the overall economy. The study used a survey research design, giving the sample selected from the study population access to a questionnaire. Chi-square (X^2) was used to examine the gathered data. It was discovered that small businesses improve people's quality of life and create jobs for people, therefore their benefits to the economy cannot be overstated. Therefore, it may be concluded that all levels of government should support small businesses by offering loans and running awareness campaigns to inspire entrepreneurship.

3. Theory/Calculation

The pertinent hypotheses related to the study are the main topic of this subsection. Two theories—the classical and the modern theories—dominate the literature when it comes to discussing the effects of small and medium-sized enterprises.

Among other publications, the foundational pieces by [25], [3], and [13] are sometimes categorized as the "classical" theories on the growth of SMEs. According to "classical" ideas, while economic development is characterized by rising incomes, big enterprises (Les) will eventually overtake SMEs in terms of advantages. According to "modern" views, MSMEs have two significant responsibilities to play at the same time: they must decrease poverty by creating jobs and accelerating economic growth through the rise of their output contributions to GDP. Through their growth linking effects, SMEs have indirect effects on economic growth and poverty reduction in addition to these direct ones. Through three key linkages—production (forward and backward), investment, and consumption—increases in MSME output and employment translate into increases in output and employment throughout the rest of the economy. In keeping with the arguments of the "modern" paradigm about the significance of SMEs in the economy, the World Bank provides three main justifications for assisting SMEs in least-developed countries (LDCs) [7], [17]. First, SMEs foster entrepreneurship and competition, which benefits the economy as a whole in terms of efficiency, innovation, and growth in overall productivity. Second, SMEs are typically more productive than Les, but they are hindered by the finance market, other institutional shortcomings, and an unfavorable macroeconomic climate. Third, because SMEs require more labor than LEs do, their expansion increases employment more than LEs' growth. To put it another way, the World Bank thinks that direct government assistance to SMEs in least developed countries (LDCs) enables these nations to take advantage of the social advantages that result from their increased entrepreneurship and competition, and that MSMEs can spur economic growth and development [14]. The aforementioned considerations do not, however, imply that MSMEs can completely replace LEs in the economy or that LEs are not necessary. Even many authors express skepticism over the World Bank's pro-MSME agenda. Some writers highlight Les' benefits and cast doubt on the presumptions that underpin this pro-MSME strategy. In particular, LEs may take use of economies of scale and handle the fixed costs of R&D more readily.

Most governments around the world, particularly those in emerging nations like Nigeria, continue to place a high priority on the need to expand the industrial sector. It is anticipated that the Nigerian economy will have the capacity to compete on the world stage with the expansion of SMEs [2] and [9]. Nigeria's successive administrations have continued to propose policies and programs aimed at achieving industrial growth and development in acknowledgment of the potential roles that SMEs may play in the country. Recognizing the importance of SMEs to the Nigerian economy, the government included policies and efforts to support SME development in most of its plans for economic development in order to encourage the sector's continued expansion. The establishment of institutions like DFRRI, NDE, NAPEI, and others has paved the way for a clear path to accelerate the development of SMEs, according to [14], despite the formidable obstacles these establishments must overcome. The discovery theory's premise about the

nature of possibilities directly informs its premise about the characteristics of entrepreneurs. Given that opportunities arise from external events inside an industry or market and are objective, observable in theory, all parties involved in that industry or market ought to be aware of them. The theory is predicated on three key tenets: (1) opportunities exist independently of entrepreneurs; (2) there are notable distinctions between entrepreneurs and non-entrepreneurs; and (3) the setting of decision-making is extremely risky. The discovery theory operates under the broad premise that opportunities are created and exploited by entrepreneurs [3]. [1] pointed out that alterations in technology, politics, regulations, society, and demography are among examples of events that might upset the competitive balance in a market or sector, creating possibilities.

The foundation of the discovery hypothesis is the realist premise of science philosophy, which holds that opportunities, like mountains, exist as genuine, objective things that are unaffected by human behavior. Therefore, discovery theory must inevitably assume that entrepreneurs who discover opportunities are significantly different from others in their ability to either see opportunities or, once they are seen, to exploit these opportunities. This will help to explain why entrepreneurs associated with an industry or market are willing and able to exploit opportunities while non-entrepreneurs are not [16];[2].

The nature of opportunities, according to creation theory, does not exist independently of entrepreneurs, in contrast to discovery theory. Depending on one's mental capacity. Furthermore, there is a great deal of uncertainty in the decision-making context and an inherent uncertainty in the nature of entrepreneurs compared to non-entrepreneurs. Accordingly, it maintains that opportunities do not always arise from markets or sectors that already exist [5]. According to "modern" theories, small and medium-sized enterprises (SMEs) have two crucial roles to play at the same time: they must create jobs and income through the growth of their output contributions to the GDP, which will accelerate economic growth, and they must reduce poverty. Theoretically, SME's "growth-linkage" effects have additional indirect benefits on poverty reduction and economic growth in addition to these direct ones. Through three primary linkages—production (forward and backward), investment, and consumption—increases in SME output and employment translate into increases in output and employment throughout the rest of the economy. Articles by [11], [17], [5], and others support the classical hypotheses. The benefits of SMEs are predicted by traditional theories on the development of small and medium-sized businesses.

They contend that big businesses, which have a better future than small and medium-sized businesses, should receive the required assistance. However, contemporary ideas place a strong emphasis on the contribution that small and medium-sized businesses provide to economic development and growth. This is corroborated by the research conducted in East Asia's rapidly industrializing nations, such as South

Korea and Taiwan, as well as by the literature on flexible specialization thesis, which draws heavily from the experiences of SMEs in Western European nations.

Measurement of Role of Small and Medium Scale Enterprises in Economic Development and Growth

a. The Role and Contribution of Small and Medium Scale Enterprises in Economic Development and Growth

In addition to the challenges SMEs in Nigeria face—poor infrastructure that hinders production and manufacturing, restricted access to credit, and financing for projects—there are internal issues as well, such as inadequate human resources, inadequate business management abilities, and a failure to meet standard organization requirements. Small and medium-sized businesses continue to be essential to a country's economic development, especially in emerging nations like Nigeria. Based on empirical research, it has been demonstrated that small and medium-sized companies play a crucial role in driving economic growth in both developed and developing nations. This is because these industries tend to support both stable industrial structures and equitable capital distribution for industrial expansions. SMEs are important in the game. Since SMEs serve as a breeding ground for local entrepreneurs and skill sets as well as channels for local savings, they should be prioritized in state development objectives. This will ensure a more equitable distribution of income and slow the movement of labor from rural to urban areas. They are also the answer to reducing poverty and generating wealth for the underprivileged [23]. Without a question, small and medium-sized businesses are the primary drivers of economic growth and development as well as a key factor in fostering collaboration and development in the private sector [7].

He goes on to say that the main obstacle to Nigeria's recent industrial development has been the lack of a robust, dynamic, and virulent small- and medium-sized business subsector, despite the fact that 40% of the industrial labor force in the USA, 50% in Germany, and 80% in Japan make up this sector. The national income of the nation is over 39% derived from small and medium-sized businesses [9]. [4] contend that the unfavorable effects of SMEs on the Nigerian economy, which has had record-low growth and a declining future as measured by the country's literate populace, which has greater access to better jobs and health care, housing, food, and other necessities of life, but low per capita income. It has also been bemoaned that the metrics typically employed to assess the performance of SMEs include the percentage of the working population that SMEs employ in a given economy, the percentage of managerial and technical capacity building that contributes to the GDP of the nation, and the percentage of locally generated revenue that the government receives from SMEs employees [16].

b. Contribution of Small Medium Scale Businesses to Economic Growth and Development

In both industrialized and developing nations, SMEs are viewed as essential to national growth and development. Without the participation of SMEs, the history of economic growth and development cannot be fully understood.

According to [24], SMEs not only boost output and per capita income but also contribute to job creation, improve regional economic balance through industrial dispersal, and generally encourage efficient resource use, which stifles economic growth and development. This is in line with [2], who notes that the history of industrial and economic growth in Great Britain and Japan may be traced to their extensive small- and business establishments. According to a World Bank [9] analysis, the number of jobs created in a country increases with its ease of doing business. This is because to the fact that being formal typically has advantages to maintaining SMEs, particularly in terms of tax. SMEs account for a sizable portion of the overall increase in employment in many nations. Larger enterprises' contributions often remain steady, and it generates a substantial portion of their GDP growth [6]. This claim is accurate, since the OECD [18] found that SMEs and micro enterprises account for more than 95% of businesses, 60–70% of employment, 55% of GDP, and create a higher percentage of new jobs. It is not much different in the case of developing economies. For instance, 93% of businesses in Morocco are SMEs, which are responsible for 46% of employment, 38% of production, 33% of investments, and 30% of exports. In a similar spirit, 99 percent of all businesses and 58 percent of jobs in Bangladesh are held by companies with fewer than 100 employees. Comparably, 99 percent of all private enterprises in Ecuador employ fewer than 50 people and provide 55 percent of all jobs, both of which are characteristics of a growing and developing national economy. SMEs are the original industrialization's spawn. This is due to the fact that a sizable portion of them possess in-depth understanding of resources as well as the production and distribution of products and services within the economy. SMEs are also the main source of input for larger businesses; they are their clients and offer a variety of goods and services, including food, clothes, health care, education, entertainment, and leisure [19]. They go on to say that the businesses support economic growth by supplying the larger businesses' material demands and by transforming and disposing of primary and intermediate products in an industrial manner. To use a common expression, SMEs are significant providers of local supplies and services to larger businesses. Relatedly, an empirical study by [20] titled "impact of small and medium enterprises on economic growth and development" reveals that, of 200 respondents who represented the population sample, 151 respondents, or 75.5% of the total, agreed that there is a significant relationship between SMEs, economic growth, and development. [19] think that nations with a high percentage of small businesses have been successful in achieving more equitable income distribution. As a result, this distribution is crucial for maintaining long-term social stability since it lessens the likelihood of export redistribution and lowers the economic divide between urban and rural areas. Additionally, SMEs support the development of rural infrastructure, raise the standard of living for rural residents, make better use of local resources, expand output, transform indigenous technology, produce intermediary goods, and generate more revenue for the government [1, [9], and [12]. [14] further stated that studies on SMEs in Japan and India reveal that these businesses account for 35% of India's export value and 40%

of the country's industrial value added, or around 50% of GDP. About 70% of the value produced by SMEs, which account for a higher portion of Japan's exports of goods and services, is exported. This indicates that SMES were essential to the expansion and advancement of these nations.

Measurement of Businesses & Economic Growth and Development

a. Businesses & Economic Growth and Development

The Nigerian government paid more attention to SME activity in an attempt to diversify the country's economy. In order to provide its citizens with access to financial services, the Nigerian government was forced to order banks to open branches in the nation's rural areas in the mid-1980s due to the over-reliance on oil [13], referenced in [2]. The Nigerian government's audacious policy gives a lot of individuals, particularly rural entrepreneurs, the chance to acquire bank loans for money. According to research, the world economy's largest business sector is made up of SMEs [10], as mentioned in [19]. He went on to say that SMEs promote faster employment growth than larger companies. Instead, Nigeria has drawn a lot of attention for its potential for growth and development, particularly in the agricultural sector, where small-scale independent contractors engage in agro-allied processing operations, demonstrating the nation's inclination toward agriculture. Furthermore, according to OECD [22], SMEs make up over 90% of all businesses outside of the agriculture industry, provide a sizable amount of jobs, and produce a sizable amount of revenue both domestically and internationally. For this reason, it is a vital tool in the fight against poverty in both rich and developing nations, such as Nigeria. Additionally, SMEs support the development of rural infrastructure, raise the standard of living for rural residents, make better use of local resources, expand output, transform indigenous technology, produce intermediary goods, and generate more revenue for the government [24], [12], & [17].

argued that while petroleum oil is seen as having a significant impact on Nigeria's position, over 70% of Nigerians are employed in profitable jobs through SMEs. According to the available data, the agriculture industry contributes between 35 and 40 percent of the GDP of the country. The majority of those involved in the agricultural sector are self-employed small-scale farmers who also work in handicrafts, fisheries, agroforestry, and raising animals. The government is saved in areas of economic diversification by these SMEs' efforts.

According to [11] and [8], which were cited in [3], SMEs play a significant role in promoting the creation of jobs, technological invention and innovation, the growth of entrepreneurial skills, the equitable distribution of income and resources, the emergence of more competitive industries, and an overall improvement in the standard of living for residents of an economic region. Furthermore, an empirical study on "The role of Entrepreneurship in Economic Development: The Nigeria perspective" [7] carried out reveals the important role that SMEs play in the expansion and development of Nigeria. The study involved the random selection of 100

SMEs from a cross-section of all small and medium-sized enterprises in several states of Nigeria. This presents SMEs as a system or driving force behind national economic progress. [9] presented a school of thinking that concluded SMEs are the key to the development and expansion of the economies of the majority of emerging nations. This claim is supported by [2], which states that the rise of SMEs is a significant driver and a crucial factor in the development and maintenance of the Nigerian economy. [1] stated that a lot of business and government organizations see the expansion of SMEs as a key component of economic development and expansion.

4. Experimental Method/Procedure/Design

This section aims to describe the many approaches and tactics used to complete this research project. The research design, study population, sample size and procedure, data collection tool, data analysis method, operationalization, and variable measurement are all presented in this chapter. The data are supported by facts that help the researcher highlight how small- and medium-sized firm performance affects socioeconomic growth.

The researcher tests and analyzes the study's hypothesis using the statistical tool chi-square after collecting the data and presenting it using a table and percentages technique. The researcher will use this statistical method to determine whether to accept or reject the hypothesis.

The chi-square formula is presented as:

$$X^2 = \sum \frac{(O - E)^2}{E}$$

Where: x^2 = Subject of chi – square
 O = Observed frequency
 E = Expected frequency

The degree of freedom is calculated based on the formula stated below:

$$DOF = (R - 1) (C - 1)$$

Where: R = Number of Rows
 C = Number Columns

5. Results and Discussion

Using the available data, the chapter examined the impact that small and medium-sized businesses' performance had on Yobe State's socioeconomic development. Thus, the chapter also has the opportunity to confirm the veracity of the theory that was first presented in chapter one. The chapter includes an overview of the research findings as well as the presentation, analysis, and interpretation of the data. Seventy of the eighty surveys that the researcher sent to respondents were correctly completed and returned. And 87% of the questionnaire is made up of this, which is enough to allow the researcher to present and analyze the data. For the sake of clarity and sorting out, the chapter is divided

into two categories: biographical information about the responders and thematic information.

Test of Hypothesis

The process of determining whether to accept or reject the hypotheses is known as the test of hypotheses. There were null and alternate hypotheses for each hypothesis. At the 5% level of significance, the hypotheses were tested using chi-square (X^2). As per reference [3], the following formula can be used to compute chi-square (x^2):

$$X^2 = \sum \frac{(O - E)^2}{E}$$

Where: x^2 = Subject of chi-square
 O = Observed frequency
 E = Expected frequency
 Σ = Summation Sign

The degree of freedom is calculated based on the formula stated below:

$$DF = (R - 1) (C - 1)$$

Where: R = Number of Rows
 C = Number Columns

A comparison was performed between the significance table and the computed X^2 value. Decision Rule: If the computed X^2 value is smaller than the critical or table value, accept the null hypothesis (H_0); if not, reject it.

Hypothesis I

H₀: Small and medium-sized enterprises do not specifically contribute to Yobe State's socioeconomic development.

H_a: Small and medium-sized enterprises contribute to Yobe State's socioeconomic growth in a certain way. But in order to test the hypothesis, the values from the responses in tables 4.6, 4.7, and 4.8 will be used as values for the contingency table.

Table 5.1: Contingency table for testing hypothesis (I)

Variables	SA	A	UN	DA	SD	Total
Table 4.9	36	20	2	6	6	70
Table 4.10	20	6	2	6	36	70
Table 4.11	40	6	4	8	12	70
Total	96	32	8	20	54	210

Expected Frequency

The expected frequency is computed as follows:

$$Fe = \frac{C \times R}{N}$$

Where: C = Column Total
 R = Row Total
 N = Grand Total

Table 5.2: Computation of the Chi-square from the Contingency Table

F _o	F _e	(F _o -f _e)	(F _o -f _e) ²	$\sum (F_o - F_e)^2 / F_e$
36	32	4	16	0.5
20	11	9	81	7.364
2	3	-1	1	0.333
6	7	-1	1	0.143
6	18	-12	144	8

20	32	-12	144	4.5
6	11	-5	25	2.273
2	3	-1	1	0.333
6	7	-1	1	0.143
36	18	18	324	18
40	32	8	64	2
6	11	-5	25	2.273
4	3	1	1	0.333
8	7	1	1	0.143
12	18	-6	36	2
Total				48.338

Consequently, 48.338 is the computed chi-square (X²) value. Calculating the degree of freedom (DF) is necessary in order to get the chi-square table value.

Therefore the degree of freedom = (r - 1) (c - 1)
 Where r = number of rows in the contingency table
 c = number of columns in the contingency table
 DF = (3 - 1) (5 - 1)
 (2) (4)
 = 8

The table value is 16.5073 with a degree of freedom of 8 and a significance level of 5% (0.05). The computed or calculated value of 48.338 is greater than the table value of 16.5073. The null hypothesis is rejected in light of the aforementioned. Therefore, it can be said that "small and medium-sized businesses help in Yobe state's socioeconomic development in a specific way."

Decision Rule

The computed chi-square value of 48.338 from the above computation is higher than the chi-square value of 16.5073 from the table. In light of the foregoing, the null hypothesis should be rejected and the alternative hypothesis accepted. Thus, it can be said that "small and medium-sized businesses help in socioeconomic development of Yobe state in a specific way."

Hypothesis II

Ho: Small and medium-sized enterprises don't advance the socioeconomic advancement of Yobe State's Damaturu.
Ha: Damaturu, Yobe State's socioeconomic development is aided by small and medium-sized enterprises.

But in order to test the hypothesis, the values from the responses in tables 4.6, 4.7, and 4.8 will be used as values for the contingency table.

Table 5.3: Contingency table for testing hypothesis (I)

Variables	SA	A	UN	DA	SD	Total
Table 4.9	36	20	2	6	6	70
Table 4.10	20	6	2	6	36	70
Table 4.11	40	6	4	8	12	70
Total	96	32	8	20	54	210

Expected Frequency

The expected frequency is computed as follows:

$$Fe = \frac{C \times R}{N}$$

Where: C = Column Total
 R = Row Total
 N = Grand Total

Table 5.4: Computation of the Chi-square from the Contingency Table

Fo	Fe	(Fo-fe)	(Fo-fe) ²	Σ(Fo-Fe) ² /Fe
47	39	8	64	1.641
9	15	-6	36	2.4
3	4	-1	1	0.25
6	6	0	0	0
5	4	1	1	0.25
20	39	-19	361	9.256
38	15	23	529	35.267
2	4	-2	4	1
6	6	0	0	0
4	4	0	0	0
49	39	10	100	2.564
7	15	-8	64	4.267
6	4	2	4	1
6	6	0	0	0
2	4	-2	4	1
Total				58.895

Consequently, 58.895 is the computed chi-square (X²) value. Calculating the degree of freedom (DF) is necessary in order to get the chi-square table value.

Therefore the degree of freedom = (r - 1) (c - 1)
 Where r = number of rows in the contingency table
 c = number of columns in the contingency table
 DF = (3 - 1) (5 - 1)
 (2) (4)
 = 8

The table value is 16.5073 with a degree of freedom of 8 and a significance level of 5% (0.05). The computed or calculated number of 58.895 is greater than the table value of 16.5073. The null hypothesis is rejected in light of the aforementioned. Thus, it can be said that "small and medium-sized businesses contribute to Damaturu, Yobe State's socioeconomic development."

Decision Rule

The computed chi-square value of 58.895 from the above computation is higher than the chi-square value of 16.5073 from the table. The null hypothesis should be rejected and the alternate hypothesis should be accepted in light of the above-mentioned figures. Thus, it can be said that "small and medium-sized businesses contribute to Damaturu Yobe State's socioeconomic development."

Results and discussion

Based on the hypothesis tests conducted in this chapter thus far, it can be stated that socioeconomic development and small- and medium-sized firm success are significantly correlated. Because Yobe State's Damaturu Local Government Area's socioeconomic growth is positively impacted by the successful operation of small and medium-sized businesses. This result is consistent with research conducted by [5] on the subject of Small and Medium Scale Enterprises in Nigeria: The Issues and Future Prospects. The

study used a descriptive research design, wherein a structured questionnaire was given to a sample selected from the study population. Chi-square (X^2) was used to examine the gathered data. It was discovered that, when handled correctly and cautiously, small and medium-sized businesses are crucial to the socioeconomic well-being of the populace. The study draws the conclusion that reviving Small and Medium-Sized Enterprises (SMEs) with a stronger commitment to economic reform will be a turning point in aiding Nigeria's economy and national development based on the findings. The results of the second hypothesis test indicate that small and medium-sized enterprises contribute to Yobe State's socioeconomic development in a particular way. This study showed that there are several options for small and medium-sized businesses to enhance the socioeconomic growth of the Damaturu Local Government Area. The results of this study are consistent with the research done by [11] regarding the effects of SMEs on Nigeria's socioeconomic development. The study used a survey research approach, giving the sample selected from the study population access to a standardized questionnaire. The chi-square (X^2) analysis of the data revealed that small and medium-sized enterprises (SMEs) play a significant role in stimulating the nation's economy. As a result, policies supporting the expansion and survival of SMEs have been implemented at all levels of government at various points in time. This suggests that small-scale industry orientation is ingrained in Nigerian history. In the communities, there is much proof of the achievements our great grandparents achieved with their individual trading businesses, yam barns, cottage industries, and similar ventures.

The third hypothesis ultimately reveals that Damaturu, Yobe State's socioeconomic development is facilitated by small and medium-sized enterprises. The hypothesis's results show that small and medium-sized businesses made a significant contribution to the socioeconomic development of Yobe State's Damaturu Local Government Area. These findings are consistent with research conducted by [14], who examined the effects of small and medium-sized businesses on the economy. The purpose of the study was to ascertain how small and medium-sized businesses affect the overall economy. The study used a survey research design, giving the sample selected from the study population access to a questionnaire. Chi-square (X^2) was used to examine the gathered data. It was discovered that small businesses improve people's quality of life and create jobs for people, therefore their benefits to the economy cannot be overstated. Therefore, it may be concluded that all levels of government should support small businesses by offering loans and running awareness campaigns to inspire entrepreneurship.

6. Conclusion and Future Scope

The results of the study showed that the socioeconomic development of Yobe State's Damaturu Local Government Area is greatly influenced by small and medium-sized businesses, and that one of the biggest obstacles to the growth of these businesses in the Local Government and the State as a whole has been the availability of capital [3], [9]. The study

looks into how Yobe State's Damaturu Local Government Area's economic development is impacted by small and medium-sized businesses. Small and medium-sized businesses are undoubtedly one of the tools employed in any society to promote socioeconomic growth. The study's findings unequivocally confirmed that the number of small and medium-sized enterprises has grown and that they are contributing to the local government's efforts to reduce poverty. Similarly, the study demonstrated that Yobe State's Damaturu Local Government Area has benefited greatly from the presence of small and medium-sized businesses in terms of job creation, and that the government's efforts to reduce poverty have also contributed to the development of the local economy. Small and medium-sized businesses have also made significant contributions to Yobe State's Damaturu Local Government Area's economic development. An important shortcoming in Nigeria's recent industrial growth process has been the lack of a robust SME subsector. Regrettably, SMEs have not contributed as much to Nigeria's economic development and progress as was anticipated of them. Motivated by the study's conclusions, SMEs in Damaturu still have a long way to go before they can be sufficiently productive and contribute to the expansion and improvement of Nigeria's economy in the way that is expected of them. The difficulties and issues facing Damaturu's small and medium-sized enterprises (SMEs) are multifaceted and require a coordinated effort from all relevant parties, including the federal, state, and local governments, banks, regulatory agencies, SMEs (owners and management), staff, and other donor organizations. Thus, this study comes to the conclusion that Yobe State's socioeconomic development is significantly influenced by small and medium-sized businesses. The primary cause for SMEs' exceeding expectations in respect to our environment is their performance. This covers, among other things, our culture, the way the government is run, the way policies are formulated, and how well they are carried out. In conclusion, in order to see greater socioeconomic growth and development in local government, small and medium-sized businesses should receive special attention from the State government through encouragement and promotion of the sector.

Recommendations

The conclusions led to the following suggestions being made:

1. To lower the unemployment rate in Nigeria, the government should give more capital funding to young people who have viable business ideas, Nigerian banks should support the growth of small and medium-sized businesses by lowering interest rates and other loan fees.
2. Training should be provided to small and medium-sized business owners in Nigeria to improve their performance.

Suggested Areas for Further Research

Hereby, the research fields listed below are suggested.

- i. From 2022 to 2023, a particular group of Nigerian SMEs were the exclusive subject of the study. As a result, further investigations in Nigeria that involve many banks and cover a longer period of time are necessary.

- ii. Researchers in this area have the chance to carry out comparable studies using other non-financial performance measures as their dependent variables. With regard to providing appropriate e-service quality that optimizes a bank's worth, this endeavor can help provide accurate recommendations to the Nigerian banking sector. This is especially important because most of the evidence used in previous studies came from other countries.
- iii. It is imperative that this study's scope be expanded to include more geographical areas of Nigeria in subsequent investigations. Given that the present survey was only carried out in the Nigerian state of Bauchi, this expansion will enhance our understanding.

Contribution to Knowledge

The findings of the study have consequences for managerial, policy, theoretical, and practical areas. The noteworthy and significant effects of the study's components provide bank executives and managers with an opportunity to make well-informed decisions, enabling them to create better strategic strategies. Practitioners and stakeholders will also make use of the research's insights to communicate the benefits of bank credit, which will improve non-financial performance and customer service.

Conflict of Interest

This unique replica is not being considered for publishing anywhere and has not been disseminated. There are no conflicts of interest to declare as a result.

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Author Contributions

Each author made an equal contribution to this research project. They all looked over and verified the original manuscript's final draft.

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