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Effectiveness of Millennium Development Goal Programmes on Entrepreneurial Development: An Appraisal of the Nigerian Experience

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Abstract
Towards the close of the last century, world leaders from both developed and developing nations met in order to evaluate progress made in social, economic and political dimensions of national and international development, and to strategize for improvements in the twenty-first century. The analysis of realities on the ground indicates that many United Nations resolutions and developmental targets had remained elusive while some important projects and programmes are either unimplemented or they could not yield the anticipated outcomes. The fact is that the gap between the developed and underdeveloped countries was widening rather than closing up. The interactions, awareness and negotiations led to the United Nations establishing the Millennium Development Goals (MDGs) to guide plans and programmes of nations and development partners. The year 2015 was chosen as an important milestone at which point a comprehensive assessment of goal achievements would be made. A link between the MDGs programmes and entrepreneurship development, is worthy of assessment. The paper examines the direct influence of the Nigerian MDGs programmes on entrepreneurship development, specifically the growth in the number of beneficiary SMEs since 2001 to date. Using mean score analysis and Z-score statistics to test the stated hypotheses our empirical analysis suggests that the existence of SMEDAN has a significant impact on small scale businesses financing and entrepreneurship development in Nigeria and if the programme is seriously pursued it is expected to influence the attainment of MDG relating to poverty eradication and sustainable development.

Keywords: millennium development goals, entrepreneurship, SMEs, entrepreneurial development, SMEDAN

INTRODUCTION

The Nigerian situation represents a developmental experience characterized with poverty. According to Alabi, Alabi and Ahiawodzi (2007), the frustrations of accessing credit facilities from formal systems compel the poor and informal business entrepreneurs to resort to different non-banking and informal arrangements to access funds for their operations. This has serious implications for a country like Nigeria where the economy is largely characterized by micro and small businesses as observed Basu, Balvy &Yulek, (2004) and in line with the view of Dada and Salisu 2006 that small businesses are vital to economic development.

In the same vein, achieving sustainable entrepreneurship development must be in alliance with the certain regulations and standards (Ekpenyoung and Dada 2007), whereas most Small businesses in Nigeria are not registered to have allowed for keen supervision and regulation. A CBN study identified, as of 2001, 160 registered Microfinance Institutions (MFIs) in Nigeria with aggregate savings worth N99.4 million and outstanding credit of N649.6 million, indicating huge business transactions in the sector (Anyanwu, 2004). With a population of about 150 million and GDP per capita of $641 (2006), two – thirds of Nigeria's people are poor. Nigeria has the third highest number of poor people in the world. Most of these people are dependent on micro and small – scale farm and off – farm enterprises for their livelihood (UNDP, 2005).
One of the challenges microfinance currently faces in Nigeria is for the MFIs to reach a greater number of the poor. The CBN survey indicated that their client base was about 600, 000 in 2001, and there were indications that they may not be above 1.5 million in 2003. The existing microfinance in Nigeria serves less than 1 million people out of 40 million potential people that need the service (CBN, 2005). Also, the aggregate micro credit facilities in Nigeria accounts for about 0.2 percent of GDP and less than one percent of total credit to the economy. Another challenge is that most of microfinance funding goes to the commercial sector to the detriment of the more vital economic activities, especially agricultural and manufacturing sectors which provide the foundation for sustainable growth and development. Currently, only about 14.1 and 3.5 per cent of total MFI funding went to these sectors, respectively, while the bulk, 78.4 percent, funded commerce (Anyanwu, 2004).

Studies have shown that small businesses in many countries are mechanisms for stimulating indigenous entrepreneurship, enhancing greater employment opportunities per unit of capital invested and aiding the development of local technology (Sule, 1986; World Bank, 1995; Chrisman, Bauerschmidt and Hofer, 1998; Chen and Williams, 1999; Orisanaye, 2000; Akande, 2005). About 90% of Nigeria's businesses are considered microenterprises and these farm or non-farm activities serve as the main income source for the majority of the labour force. Furthermore, Adelaja (2006) averred that interaction between Small and Medium Enterprises (SMEs) operators is a factor for the development of SME's in Nigeria. Anwatu (2006) said that 75% of the private sector is dominated by Small and Medium Enterprises (SMEs) reiterating that Organized Private Sector (OPS) is the engine of growth and creator of wealth and employment. The Nigeria Chamber of Commerce, Industry, Mines and Agriculture (NACCIMA 2006) argued that small scale enterprises SSEs are the vehicle for rapid industrialization and development of any nation. Eke (2007) argued that MSMEs account for over Ninety three percent of the total entrepreneurs in Nigeria.

In Nigeria, as well as in most other countries of the world, small and medium-sized companies (SMEs) represent the vast majority (99%) of all enterprises (OECD, 1998). Their contribution to economic growth, job creation and innovation is widely recognized (Audretsch and Keilbach, 2004; Van Stel, Carree, and Thurik (2005). They are known all over the world to account for substantial proportion of industrial build up in many developed nations. The nature of their operations, capital requirement for setting-up and the employment generation effects made them the focus of most developmental efforts in less developed countries. However, many of them do not survive their first years in business (Storey 1994; Almus, 2004; persons 2004), and as such, are not able to provide these benefits to the society in which they are located. Meanwhile, poverty reduction has over the years been of great concern and challenge to every government the world over. Thus, attention is being given to promotion of small scale businesses (SBs) globally as a tool for poverty alleviation and economic development. Finding out what is actually happening on the ground not only helps to establish if money and effort are reaching their intended objectives, but also helps to make critical efficiency decisions. The extent to which the various MDG targeted programmes of Nigerian government are working on entrepreneurship, especially the perception of SMEs on the utilisation of SMEDAN fund is worthy of investigation. For instance, in 2007, the IMF listed Nigeria 41st in its ranking of global economies, based on a combination of indicators including GDP, Gross National Product and per capita income. Meeting both its MDG and 2020 goals will require Nigeria to compete against economic powerhouses like the US, Japan, Germany, China and the UK. Clearly, how it fares in the final analysis will depend as much on the intensity of its efforts, as on the amount of innovation and ingenuity it brings to the process.

STATEMENT OF THE PROBLEM

Evidences from the literature reveals that many United Nations resolutions and developmental targets had remained elusive while some important projects and programmes are either unimplemented or they could not yield the anticipated outcomes. Most worrisome was the fact that the gap between the developed and underdeveloped countries was widening rather than closing up. This led to the year 2000 MDGs declaration by the United Nations Millennium Summit. The year 2015 was chosen as an important milestone at which point a comprehensive assessment of goal achievements would be made. Finding out what is actually happening on the ground not only helps to establish if money and effort are reaching their intended objectives, but also helps to make critical efficiency decisions. A link between the MDGs progrmmes and entrepreneurship development, is worthy of assessment. A study like this is worthwhile as we move towards the year 2015 target. A review of the impact of the Nigerian Government MDG programmes on entrepreneurship especially on small business is expected to serve as pointer to the achievement of the MDGs relating to poverty eradication and sustainable development. This study remains germane by examining the perceptions of selected small business owners on the benefits of SMEDAN on entrepreneurship development for poverty reduction and sustainable development and then put forward the following questions:

- What is the impact of MDG Programmes on entrepreneurship development?
- How do the Micro entrepreneurs perceive the benefits of the MDG programmes?
- To what extent have the Micro entrepreneurs benefited from the MDG programmes?

LITERATURE REVIEW AND CONCEPTUAL UNDERPINNINGS

For meaningful sustainable development, finance takes priority and has been observed to be the major constraint to small business development in less developed countries and developing economy of the world. Examples of major sources of small business finance in Nigeria are commercial banking, development finance institutions, NGO-MFIs, Cooperatives and Government poverty eradication outfits. The response of the banking system in Nigeria is changing to pay attention to microfinance seekers. The Bankers Committee has recently decided that 10 per cent of the funds accruing to the Small and Medium Industries Equity Investment

(SMIEIS) should be channelled to micro enterprises through registered microfinance institutions. Under the SMIEIS arrangement, banks in Nigeria agreed to set aside 10 per cent of their pre-tax profit annually for equity investment in small and medium industries. At the end of June 2004, over N24 billion had been set aside under the scheme, while less than N10 billion had been invested. Apart from providing a large volume of resources, the fund is fairly medium to long term in nature and this has the potential of positively changing the structure of the microfinance industry in Nigeria (CBN, 2004).

Between 1964 and 1977, various development finance institutions (DFIs) were established at both national and state levels in the country. The national DFIs included the Nigerian Industrial Development Bank (NIDB), Nigerian Bank for Commerce and Industry (NBCI), Nigerian Agricultural and Cooperative Bank (NACB) and Federal Mortgage Bank of Nigeria (FMBN). Each institution was given the responsibility of promoting the development of a specific sector or sub-sector (CBN, 2000). The NIDB was established in 1964, from the restructuring of an existing Investment Corporation of Nigeria (ICON), and given the mandate of developing new industrial enterprises and expanding existing ones through the provision of medium and long term loans and equity participation. A decade later in 1973, the NBCI was established to provide funding to small and medium scale enterprises. Of more relevance to micro enterprises, the NACB was also established in 1973 to promote the development of the agricultural sector in which most of the operators are micro enterprises. Also the FMBN, which took over the assets and liabilities of the Nigerian Building Society (NBS), was established in 1977, with the mandate to provide funding for residential and other housing needs of individuals and corporate organizations. Two other DFIs, the Urban Development Bank and Education Bank, were established in 1992 and 1993, respectively, to cater for these two important sectors. These DFIs made varying contributions According to their sectors of responsibility. They funded various projects and enterprises, many of which are in operation today. However, with the drastic reduction in government subventions to them in the 1990s, their operations reduced drastically and by late 1990, they all ceased operating, as all of them depended mainly on government funding (Mohammed and Hasan, 2008).

The poor performance of the DFIs notwithstanding the need to channel financial resources to the productive sectors, have remained a major challenge to the government and the monetary authorities. Attempts have therefore been made to restructure the DFIs, give them commercial orientation and make sustainability the guiding principle. In December, 2007, the new government policy give licenses to 107 microfinance banks and converted 600 out of 761 community banks to microfinance banks which make the total number of microfinance banks 707 in the country (Soludo, 2008).

Access of Small Businesses to Funds in Nigeria

The baseline economic survey of Small and Medium Industries (SMIs) in Nigeria conducted in 2004, indicated that the 6,498 industries covered currently employ a little over one million workers. Considering the fact that about 18.5 million (28% of the available work force) Nigerians are unemployed, the employment objective/role of the SMIs is far from being reached (CBN 2005). One of the hallmarks of the National Economic Empowerment and Development Strategy (NEEDS) is the empowerment of the poor and the private sector, through the provision of needed financial services, to enable them engage or expand their present scope of economic activities and generate employment. Delivering needed services as contained in the Strategy would be remarkably enhanced through additional channels which the microfinance bank framework would provide. It would also assist the SMIs in raising their productive capacity and level of employment generation.

As at December, 2004, only N8.5 billion (29.5%) of the N28.8 billion Small and Medium Enterprises Equity Investment Scheme (SMEEIS) fund had been utilized. Moreover, 10% of the fund meant for micro credit had not been utilized due to lack of an appropriate framework and confidence in the existing institutions that would have served the purpose. This policy provides an appropriate vehicle that would enhance the utilization of the fund (FAO, 1999; Olaitan, 2001; Yaron, Benjamin and Church 1998; Zeller and Sharma, 1998. Immeasurable roles of small and medium enterprises in the development of a nation have been widely documented in the literature some of which are; Osoba (1987) Babalola (1982), Oresotu (1995) and Asaolu (2001 and 2004; Dada & Salisu 2006; Brock 2008).

Progress So Far on MDG

The UNDP promotes and enhances partnerships with government and other stakeholders to achieve the MDGs by 2015. It will advocate the MDGs to and engage government institutions, civil society, business and private sectors. This will be reflected in policies, plans, budget and implementation strategies to meet MDG targets. This component promotes the creation of opportunities to facilitate transition of informal entrepreneurs towards formality, recognition and larger participation in local economies.

Crucial to this intervention is the development of an enabling local policy and regulatory environment that will promote entrepreneurship, wider access to broader financing options for micro entrepreneurs and small and medium enterprises (SMEs), and identification and development of innovative products and approaches in social protection like micro insurance in the area of health and social services. The United Nations Secretary-General Ban Ki-moon visited the Millennium Village of Mwandama in Malawi, May 30, 2010 – to witness the significant progress that the country and local communities are making toward achieving the Millennium Development Goals (MDGs). Though many countries in Africa continue to lag behind, he expressed optimism that the Millennium Development Goals could still be attained through practical initiatives backed by stronger international cooperation.

The mission of Millennium Promise is to help achieve the Millennium Development Goals - eight globally endorsed objectives addressing the multiple causes of extreme poverty- in Africa by 2015. To that end, Millennium Promise uses a holistic approach to work with impoverished communities, national and local governments and partner organizations to implement high-impact programs aimed at stopping the cycle of poverty. By engaging donor nations, corporations and the general public in this effort, our work is premised on the belief that, for the first time in history, our generation has the opportunity to end extreme poverty, hunger and disease disparities. (www.millenniumpromise.org).

Progress towards reaching the goals has been uneven. Some countries have achieved many of the goals while others are not on track to realize any. The major countries that have been achieving their goals include China (whose poverty population has reduced from 452 million to 278 million) and India due to clear internal and external factors of population and economic development. However, areas needing the most reduction, such as the Sub-Saharan Africa regions have yet to make any drastic changes in improving their quality of life. In the same time as China, the Sub-Saharan Africa reduced their poverty about one percent, and are at a major risk of not meeting the MDGs by 2015. Fundamental issues will determine whether or not the MDGs are achieved, namely gender, the divide between the humanitarian and development agendas and economic growth, according to researchers at the Overseas Development Institute. A major conference was held at UN headquarters in New York on 20-22 September 2010 to review progress to date, with five years left to the 2015 deadline.

Challenges of the Millennium Development Goals

Although developed countries' aids for the achievement of the MDGs have been rising over the recent year, it has shown that more than half is towards debt relief owed by poor countries. As well, remaining aid money goes towards natural disaster relief and military aid which does not further the country into development. According to the United Nations Department of Economic and Social Affairs (2006), the 50 least developed countries only receive about one third of all aid that flows from developed countries, raising the issue of aid not moving from rich to poor depending on their development needs but rather from rich to their closest allies.

Many development experts question the MDGs model of transferring billions of dollars directly from the wealthy nation governments to the often bureaucratic or corrupt governments in developing countries. This form of aid has led to extensive cynicism by the general public in the wealthy nations, and hurts support for expanding badly needed aid.

SMEDAN Impact on Entrepreneurship in Nigeria

There have been several notable efforts in fighting poverty. The primer goal of the Millennium Development Goals calls for the eradication of extreme poverty and hunger. The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) the Nigeria blueprint of growth, likewise envisions a nation where only a small proportion of the population is considered poor. However, the global crisis has made the fight against poverty much more difficult. The Nigerian government is accelerating and intensifying the implementation of key provisions in the SMEDAN to maximize growth and protect the most vulnerable, and make for sustainable development.

One of the objectives of Poverty reduction strategies in the Nigeria is the promotion of micro, small and medium enterprises, which plays an important role in wealth creation and job generation, since roughly 90 percent of Nigerians are employed in MSMEs (Eke 2007; NACCIMA 2006). The SMEDAN calls for the development of an entrepreneurial culture by improving access to information on business opportunities, available raw materials, skills and entrepreneurship training, prospective fund sources and access to the latest technologies.

It also envisions a school curriculum that incorporates entrepreneurship education. Similarly, it stresses the need to enhance employment and livelihood opportunities of poor Nigerian through entrepreneurship and microfinance. Microfinance is a good way of supporting entrepreneurs. It provides poor borrowers with access to sustainable livelihood through zero or very low interest loans. Notables of the efforts of the government to promote SMEs in Nigeria are in the establishment of Nigerian Directorate of Employment (NDE), National Economic Reconstruction Fund (NERFUND), Nigerian Bank for Commerce and Industry (NBCI), Nigerian Agricultural Development Bank (NADB), Nigerian Industrial Development Bank (NIDB), Nigerian Agricultural and Cooperative Development Bank (NACDB), Peoples Bank of Nigeria (PBN), Family Economic Advancement Programme (FEAP), all defunct or merged to form a more focused development agency. The National poverty Eradication programme (NAPEP) is another existing micro credit delivery strategy of Nigerian Government. For instance NADB, NACDB, PBN and FEAP were merged to become the present day (as at 2007) Nigeria Agricultural Cooperatives and Rural Development Bank (NACRDB) with the objectives of promoting peasant agriculture, enhanced mechanized farming, cooperative development, rural integration and micro-credit finance. As if to say much did not come to MSMEs from the bank a community banking concept was introduced in 1990 by Babangida regime.

The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) was established by the SMEDAN Act of 2003 to promote the development of micro, small and medium enterprises (MSMEs) sector of the Nigerian economy. The SMEDAN objectives are to:

- Source, process and disseminate business information
- Develop policy
- Establish business support programmes
- Build capacity and promote services
- Enhance MSME access to finance

To achieve these objectives, the SMEDAN carries out a number of functions as contained in the enabling Act of 2003. These are as follows:

- Stimulating, monitoring and coordinating the development of the MSME sector.
- Initiating and articulating policy ideas for MSME growth and development,
- Serving as vanguard for rural industrialization, poverty reduction, job creation and enhancing sustainable livelihood; and
- Capacity building and promotional services
- Promoting and facilitating development programme instruments and support services to accelerate the development of MSMEs operations.
- Source and provide business information on MSMEs
- Linking MSMEs to sources of finance
- Design and establish business support centers to provide business advisory services, and industrial parks (IPs) to facilitate easy access to land, good infrastructure etc.

The Small and Medium Enterprises Equity Investment Scheme (SMEEIS) was launched in1999 as a private sector initiative of the Bankers committee (consisting of the CBN and the deposit money banks) under the name Small and Medium Industries Equity Investment Scheme (SMEEIS). The present name (SMEEIS) was adopted in 2005 in order to accommodate a broader scope of economic activities. According to Soludo (2008) as at the end of June 2005, the fund had risen to #31.00 billion with a total investment of #10.3billion representing only 33.2 percent of the total sum set aside.

The major policy objective of the scheme is to stimulate increased availability of capital to SMEs while reducing their debt service burden and to help in the restructuring of the capital of SMEs to stimulate their revitalization and growth. Banks were to contribute 10 percent of their annual pre-tax profit towards the fund and to participate in the ownership of the business. The requirements have recently been reviewed for the funds to be given out as loans. By March 3, 2006, 126 projects were reported to have been funded in the real sector at a cost of #6.007billion (64.05%) of the fund. Only 37 projects went to SMEs at a cost of #1.67billion.

The last that was heard of the Nigerian Government effort in promoting SMEs financing was the launching in December 2005 of Micro finance policy framework and the Regulatory and supervisory Guideline for Nigeria. The policy, as contained in the document released, provides for the establishment of two categories of private-sector driven Micro Finance Banks (MFBs) to be operational in Nigeria. These are MFBs licensed to operate as unit banks in Local Government Areas and those licensed to operate on state wide basis.

One of the policy thrust, according to Asuquo (2007) was the emergence of the large number of small private-sector initiated MFBs across the country, either through converting existing community banks, transforming the existing NGOs-MFIs or promoting fresh micro finance operators. These banks are required to be well capitalized, technically sound, and oriented towards lending, based on cash flow and character of clients. All the community banks and NGOs-MFIs that have applied for conversion/transformation have been duly granted operating-license by the Central Bank of Nigeria (CBN), and as at the end of 2010 the number of MFBs approved by the CBN stood at 647 (www.cbn.ng 2011).

Lemo (2007) viewed that microfinance banking acknowledge is one of the prime strategies for achieving Millennium Development Goals (MDGs), particularly targets that relates to poverty eradication, gender equality and the empowerment of the disadvantaged groups. He noted that access to sustainable financial services enables micro-entrepreneurs to increase income, build assets, gradually create wealth and reduce their vulnerability. It would enable households to improve their nutrition, children education, health and general living standards and foster the social empowerment of women. The microfinance policy objectives were geared towards creating microfinance banks that are financially reliable, self-sustaining and integral to the communities in which they operate, with the potentials to attract more resources and expand services to customers.

According to Nwankwo (2008), the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in collaboration with office of the Senior Special Assistant to the President on Millennium Development Goals [OSSAP-MDGs] has commenced the integrated implementation of a programme aimed at reducing poverty by half by 2015. The flag-off of entrepreneurial training by SMEDAN in various state capitals on Monday, marked the commencement of integrated implementation of the poverty reduction efforts by the Federal Government under the Social Safety Net [SSN] scheme which provides for the delivery of entrepreneurial education and business training and some form of vocational training to potential beneficiaries of the micro-finance scheme. Also To minimise business failure amongst beneficiaries of the National Poverty Eradication Programme (NAPEP) micro-credits, the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) has trained 496 members of cooperative societies and non-governmental organisations (NGOs) from 10 states of the federation under the first phase of Entrepreneurship Training organised by the agency in collaboration with NAPEP and the Office of the Senior Special Assistant to the President on Millennium Development Goals (OSSAP-MDG). The agency is targeting another 1500 NAPEP micro-credit beneficiaries in 26 States and the Federal Capital Territory by the end of November 2008 (www.allafrican.com).

Economic Importance of SSEs

According to Anwatu (2006), (75%) Seventy-five percent of the private sector is dominated by small and medium enterprises (SMEs) and that organized private sector (OPS) is the engine of growth and creator of wealth and employment. Osoba (1987) believed that people and government had hardly explored the potentials possessed by SMEs in Nigeria. The Nigeria Chamber of Commerce, Industry, Mines and Agriculture (NACCIMA 2006) opined that small scale enterprises SSEs are the vehicle for rapid industrialization and development of any nation. Eke (2007) argued that MSMEs accounts for over Ninety three percent of the total entrepreneurs in Nigeria.

Owualah (1987) is of the view that economic development is a factor of industrialization, characterized by increasing growth of small scale enterprises (SSEs). These SSEs make invaluable contributions to the economies of both More Developed Countries (MDCs) and Less Developed Countries (LDCs). Thus, SSEs, are seen to be sacrosanct to stimulating entrepreneurial development, contributing to the transformation of the traditional sector into a modern one, creation of employment, reducing rural and urban migration and serving as a training ground for managerial skill acquisitions. SMEs are active and dominant of the economies of many developing countries. They have been high on the developmental agenda of many African countries. According to Asaolu (2004) small scale enterprises are considered to have special importance to the economy of a country in the following ways:

(i) Creation of employment opportunities at relatively lower cost and utilization of unskilled labour in large numbers.
(ii) Reduction of regional economic imbalance and rural urban shift thus reducing the rush to the few urban centres. Also contributing to the industrialization of the rural areas.
(iii) Mobilization and utilization of resources that would otherwise have been lying idle. More importantly SSE, adopt 100% of local raw materials thus increasing the nation's foreign reserves and earnings.
(iv) Entrepreneurial development, SSEs serve as the schools for development of entrepreneurship. Most big corporations today started on small scale.
(v) Ownership of businesses spread to thousands of people unlike few monopolist mega corporations.
(vi) Small scale industrialization can lead to rapid economic progress because SSE, are the fountain head of vitality for national economy.

According to Ikhide and Yinusa (1998) small scale enterprises in Japan account for about 99.4% of the non-primary business establishments, employing 81.1% of the country's labour force and contributing to 51.8% of the shipment Small Scale Enterprises (SSEs)have also been said to have contributed to the transfer of technology leading to economic fortunes in India.

The colossal contributions that the SSEs have made to the economic development of various countries of the world especially the developing countries cannot be exhausted. Therefore Nigeria as a developing country cannot close eyes from the potentials of SSEs. In this wise, according to Asaolu (2004) a viable small scale enterprises sector in a country like Nigeria is in dire need of self-reliant industrial strategy to turnaround her down-trodden economy. The implication of these issues on SSEs development calls for the attention of both the policy makers and academicians. This is because from the works of Abdukadir (1981) and Babalola (1982), at the end of 1979 over 80% of all establishments registered under the Factory Act were small scale enterprises and according to NACCIMA (2006) 75% of the private sector is dominated by small and medium enterprises.

METHODOLOGY

This section focuses on the research techniques adopted and used for this study with the aim of achieving the research objectives. Survey research design was chosen because the sampled elements and the variables that are being studied are simply being observed as they are without making any attempt to control or manipulate them. Data were collected from a sample of Small business owners (entrepreneurs) to determine the relationship between MDG programme and small business performance in Nigeria. The independent variable is MDG programme (SMEDAN) while the dependent variable is the entrepreneurship development.

However, the study was restricted to Oyo state. The choice Oyo state stems from the fact that the concentration and predominance of Small businesses in Oyo state is easily identifiable. For effective coverage and lower cost, purposive sampling technique was used to select the participating Small businesses. A simple random sampling technique was used to select a total of 300 small business owners out of which we picked 280 that constituted our sample size.

Primary method of data collection was used in this study. The primary data consists of a number of items in well-structured non-disguised questionnaire that was administered to and completed by the respondents. The decision to structure the questionnaire is predicated on the need to reduce variability in the meanings possessed by the questions as a way of ensuring comparability of responses. The return rate of completed questionnaire was 93 percent as we were able to get back 280 out of the 300 questionnaires personally administered to our respondents which were used for final analysis in this study.

Data collected from the questionnaire were analysed, summarised, and interpreted accordingly by percentage analysis. Mean score was used to measure the degree of perception of the most preferred benefits and weaknesses of the Smedan programme of microcredit delivery. The trends, and patterns and relationship among data were identified and interpreted.

RESUILT AND DISCUSSIONS

The study aimed at examining the impact of MDG Programme on the small business performance, how the Micro entrepreneurs perceive the benefits and weaknesses of the MDG programmes and the extent the Micro entrepreneurs have benefited from the MDG programmes of SMEDAN. Data was presented using descriptive statistics and analyzed through simple percentage analysis. Special statistical packages called SPSS was used to obtained the result given below. We made use of 280 respondents for the analysis. A Z- score statistics was employed in testing the hypothesis set. Symbolically representation of Z – Score statistics is given below:

Z= X-N/sdx

Where Z represents the z- score value,

X is sample mean,

N is the population mean and

Sdx is the standard error of the mean which is calculated as standard deviation divided by root of the sample size.

The test adopted 95 confidence levels which is 0.05 level of significance and I given as 1.96 Z- value.

Testing the overall significant of the z-score implies testing the null hypothesis. Ho against Hi, if the null hypothesis is true i.e. the zones and sample means do not lie within population means at 0.05 significant level, we accept the null hypothesis that there is no significant relationship between the dependent and independent variables, but if it is otherwise, we will reject the null hypothesis and accept the alternative hypothesis.

For hypothesis one, where samples means =3.785, standard deviation (s.d)=1.254, the standard error of the mean -(Sdx) = 0.074 and population mean (N) ranges between 3.639 and 43.930, the z-score = 1.96. The relationship between dependent and independent variables is significant. For hypothesis two, sample means =3.535, Standard deviation =1.118, Standard error of the Mean =0.067 and population means (N) ranges between 3.403 and 3.666. Z-score = 1.96. Thus the relationship between the dependent and independent variables is significant.

For hypothesis three, sample means =3.407, Standard deviation =1.136 Standard error of the Mean =0.068 and population means (N) ranges between 3.532 and 3.881, Z-score = 1.96. Thus the relationship between the dependent and independent variables is significant.

For hypothesis four, sample means =3.707, Standard deviation =1.486 Standard error of the Mean =0.089 and population means (N) ranges between 3.273 and 3.540, Z-score = 1.96. Thus the relationship between the dependent and independent variables is significant.

TABLE I: Awareness of SMEDAN

	SA	A	U	D	SD	Total
1. Existence of SMEDAN impact on SMEs	70 25%	140 50%	20 7.15%	35 12.5%	15 5.35%	280
2.Awareness of SMEDAN benefits by SMEs	35 12.5%	150 53.57%	35 12.5%	40 14.30%	20 7.15%	280
3.Smedan link to micro credit sources for SMEs	55 19.6%	144 51.4%	36 12.85%	10 3.57%	35 12.5%	280
4.Business training and capacity building impact of SMEDAN	24 8.57%	152 54.28%	28 10%	56 20%	20 7.15%	280
5.Business information for areas of opportunities	42 15%	125 44.65%	40 14.28%	50 17.86%	24 8.57%	280
6.Entrepreneurship Education by SMEDAN has led to SMEs growth	15 5.35%	124 44.28%	40 14.28%	70 25.00%	30 10.70%	280

Source: Field Survey 2010

From the table I above the following observations emerged:

1. 75% agreed that existence of smedan has improved on SMES, 17.85% disagreed while 7.15 could not decide.
2. 66.07%agreed that the awareness of smedan benefits by SMES, 21,5% disagreed while 12.5% could not decide
3. 71% agreed that the SMEDAN provides the link to micro credit sources, 16.07% disagreed while 12.85% could not decide
4. 62.85% agreed that business training and capacity building impact on SMEs, 27.15% disagreed while 10% could not decide
5. 59.65% agreed that SMEDAN provides business information on areas of Opportunities, 26.43% disagreed while 14.28% could not decide
6. 49.63% agreed that entrepreneurship education by smedan has increased SMES growth, 35.7 disagreed, while 14.28 could not decide.

Table II: Mean Score Analysis

Statements	Mean	Rank
1. Existence of smedan has improved on SMES	3.785	1st
2. Awareness of smedan benefits by SMES	3.535	3rd
3. SMEDAN provides link to micro credit sources	3.707	2nd
4. Business training and capacity building impact	3.407	4th
5. Business information on areas of opportunities for SMEs	3.407	5th
6. Entrepreneurship education by smedan has increased SMES growth	3.107	6th

Source: Field Survey, 2010

Table III: Analysis of Hypothesis Results

Hypothesis	$\bar{x}$	S.D	SDx $\bar{}$	Zc	Zto.oo5	Decision
Q1	3.785	1.254	0.074	1.96	1.96	Reject Ho and accept Hi
Q2	3.535	1.118	0.067	1.96	1.96	Reject Ho and accept Hi
Q3	3.707	1.486	0.089	1.96	1.96	Reject Ho and accept Hi
Q4	3.407	1.136	0.068	1.96	1.96	Reject Ho and accept Hi

Source: Field Survey, 2010

The result of the four tested hypothesis are summarized in table III above which shows that

a) The level of awareness of existence and benefits of Smedan is significantly high among entrepreneurs in Oyo state.
b) The Smedan linkages to as micro-credit scheme is a major factor that enhances entrepreneurship development in Oyo state
c) Business training and capacity building programme of smedan have impacted on SMEs

The research also reveals a yawning gap between demand and supply of loans to micro entrepreneurs. In addition, smedan is plagued with weak institutional capacity. This is evident by sub-optimal performance due to incompetent management, weak internal controls and poor corporate governance. Increasing level of awareness of the existence and benefits of smedan was also observed among the selected entrepreneurs:

CONCLUSION

This paper examines the impact of microcredit scheme of the Smedan on entrepreneurship financing with a view to examine the impact on attainment of MDGs by 2015 target. Using mean score analysis and Z-score statistics to test the stated hypotheses our empirical analysis suggests that the existence of smedan has a significant impact on small scale businesses financing and entrepreneurship development in Nigeria and if the programme is seriously pursued it is expected to influence the attainment of MDG relating to poverty eradication and sustainable development. On the contrary, microcredit recipients are engaged in informal activities that often have a low return and a low market demand and therefore may find it difficult to use credit effectively as observed in the literature. In addition, loan size and timing of credit may matter as microcredit loans are often limited in size and time of delivery, hindering the returns of borrowing to profit. In the light of the above the following policy recommendations may be found useful to both entrepreneurs and the Government:

a) Utilizing the benefits of Smedan by small business owners at promoting their business outfits so that the economy as a whole is improved in performance
b) Government regular control and monitoring of Smedan activities to redress the identified weaknesses.

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