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Small And Medium Business Enterprise Opportunities And Capacity Development in Nigeria – The Abia State in Focus

Okoh, Patrick O., and Oko Ndu A. E.
Department of Marketing Faculty of Management Sciences
Michael Okpara University of Agriculture, Umudike
E-mail: patokoh4u@yahoo.com

ABSTRACT:
This study is aimed at identifying the drivers of small and medium business enterprises and the opportunities that can be leveraged to enhance the capacity development of SMEs as a vital part of economic development in Nigeria. The research was conducted under an exploratory survey, using quantitative approach. Data were collected using a non-probability sampling method of 30 SMEs trained in China by the Abia State Government. This population represented the sample size. The data analysis made use of correlation and multiple regression analysis to determine the level of association between the construct and predictors using coefficients. The findings established the facts behind the economic development of nations by SMEs through government assistance in infrastructure provision, financial aid, tax relief, training and use of modern technology. All the identified and tested variables were significant at a 5% level of significance and were positively related except for multiple taxation/levies, which was negatively related to the study. All the variables influence SMEs operations for pursuing opportunities for capacity development. The implication is that the study contributed to testifying for the seamless relationship between Abia State Government and the small-scale business operators since there are no mandatory guidelines in Nigeria on what the government should do for SMEs. The limitation is that the result is a single approach to the vast Nigerian experience.

KEYWORDS: *Small and Medium business, SMEs opportunities, Capacity development, Capabilities, Technology*

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INTRODUCTION

Small and medium-scale businesses are the primary mechanism to harness the ever-increasing market opportunities in Nigeria when considering the ever-growing consumer population (Monye, 2015). From the 19th century of the Industrial Revolution, small-scale businesses played the key roles that brought civilization to developed nations (iEduNote, 2022). Descriptively, the small-scale business has been standing for the enterprise that is comparatively small in operational size in both geography and location outside marketing actions, and it is commonly financed by an individual or group of individuals (iEduNote, 2022) to drive the economy of nations. Small and medium-scale enterprises are born to create new products, as well as initiate changes through innovation and for the economic survival of people. That is, SMEs are considered the primary sector drivers of economic expansion, and they represent the most significant contributory sector in developing countries like Nigeria. To make SMEs adapt to global changes in economy, trade and technology, the Abia State government resolved to transform the shoe-making business by integrating modern technology into the business to accelerate economic activities and the attainment of sustainable economic development. This is borne out of the myriads of challenges of the Aba industrial shoe cluster which is evidenced in adequate funding following bank's disinterestedness (Faminu, 2019), use of manual methods and locally made machines (ICiR, 2017). This was highlighted by Anichukwueze (2016) particularly from the aspect of improving the technological contribution in lifting the production of the Aba shoe cluster. In this regard, shoemakers were sponsored by the Abia State government to be trained in China particularly in automated shoemaking among other things (Ofurum, 2021). This step involves the training of 30 youths in China for skill acquisition. Consequently, the training had an impact upon the return of the 30 trained youths. According to Ofurum (2021), the state government supported the initiative with functional automated shoe companies, footwear academy and further designed to push the shoemaker to the national stage.

However, the shoemaking cluster has its challenges despite the contribution of SMEs in spurring innovation, creating employment, contributing to GDP, reduction in excessive dependence on paid government jobs, improved rate of rural development, and impacting financial performance of SMEs. Notably, the SMEs are often labor-intensive and have a high probability of folding-up in five years (Agwu & Emeti, 2014). As at 2023, Uchenna (2023) stated that SMEs in Nigeria contend with limited access to finance, inadequate level of infrastructural development particularly from power supply, road network and access to technology that considered to be inadequate, limited access to market and fierce level of competition from larger firms, inadequate skills of the workforce and capacity especially in management capability, technical expertise and skilled labour, contention with the complex regulatory frameworks and administrative burdens. Interestingly, these are still contending challenges bedevilling the sector since 2014 as evidenced in literature (Agwu & Emeti, 2014; Tendler & Amorim, 1996; Adepoju, 2003). In other instances, there are records of multiple taxes and levies and unavailability of modern technology and other myriad of problems that revolve around inconsistent government policies and policy implementations that are inconsistent. Further, digitalization and digital transformations are difficult to integrate into production among SMEs in Nigeria following low level of technological applications among SMEs such as the shoemaking clusters in Aba where manual means are predominantly used. One of the main barriers that SMEs in Nigeria are facing is organizational and customer related. According to Ubabukoh (2015) lack of knowledge of the application of marketing concepts and a lack of access to modern technology is critical issue among the SMEs in Nigeria thereby serving as notable challenge among the SMEs. However, these challenges could result in automation in which most of the SMEs do not have the finances to buy (automated machines) to carry out innovativeness in production and marketing, take advantage of the continuous diffusion of information and communications technology (ICT), invest in digital business models, access markets and communicate relevant information about their business. This does not reduce the significant roles and the strength of SMEs in Nigeria. The implication is that it often creates room for opportunities to be explored by SMEs that more entrepreneurial and strong-willed to succeed. Essentially, opportunities that SMEs explore are documented in literature particularly ones leading to employment creation, economic advancement, and growth (Uzoho, 2019). This is often spurred by the individual's "I can" and "Me too" spirits amongst many youths. These have uplifted the dignity of labour in Nigerians such that the rewards of self-employment are becoming enormous. For instance, the "You Win", Trader money and Women in Entrepreneurship programs in Nigeria have upgraded the social status of innovative Nigerian youths in businesses who run their ventures efficiently.

However, according to the Central Bank of Nigeria (CBN) (2010), 80% of the SMEs in Nigeria have not been able to unlock opportunities in the online retail sector through marketing potentials for the growth of the Nigerian economy. This is despite the Economic Recovery and Growth Plan (ERGP) of 2017 to 2020 as introduced by the government of Nigeria. The capacity development of SMEs in Nigeria requires good access to finance, adequate infrastructure, entrepreneurial training, clearly defined tax policies and the adoption of modern technology. Otherwise, the SME's efforts for economic development will be jeopardized. Therefore, extant literature shows that authors have evaluated the performance of SMEs from different angles. It has been approached from financial aspect such as the reliance on as the primary goal of all business ventures (Levit, 1973) of which, with profit, the business will likely survive in the long run (Simons, 1999). This is consistent with Pont and Shaw (2003) who included other financial metrics like market share, return on capital and investment) to performance. For instance, market share is a crucial indicator of market competitiveness with reasonable customers that shows how well a firm is doing against its competitors, but the measurement metric is supplemented by demand in the market (Servaes & Tamayo, 2014). However, the performance of SMEs and any other firm is not only evaluated from financial metrics. Pont and Shaw (2003) suggested other measures of non-financial performance such as employee turnover, service quality and brand loyalty. This is important especially when the capabilities of a business that drives the success is put into context. According to MbaSkool (2020) company capabilities are people, organization, structure, and technology brought together to drive business results. This is significant as it links strategy and requirements to strategic demands. Therefore, the development of an organization focuses on improving capabilities like structure, people reward, metrics and processes in alignment with strategy.

The development of a firm is a critical and scientific-based process that helps SMEs build capabilities for effective change, and the methodology becomes objective-based for system change. Therefore, this study examines government support as opportunities available to SMEs, particularly the impacts of access to funding, tax relief, infrastructure, and modern technology on the performance of SMEs.

LITERATURE REVIEW

The SMEs promote responsible use of resources and safeguard the ecosystem for future generations through environmental protection. The SMEs create sustainable economic development, which strengthens global competitiveness, attracts international investment and fosters economic stability. The context of what SMEs can do is shown in extant literature. Mokuolu and Oluwaleye (2023) suggested that SMEs play significant role in mitigating unemployment although the impact is insignificant on the short run, Olaniyi and Adekanmbi (2022) asserted that it has meaningful impact on industrial growth on the long run. However, the capacity to meet the burgeoning needs of the population demands enhancement of their capacity and mitigation of the challenges that impact their ability to meet expectations. In this context the government is vested with the responsibility of creating a friendly business environment, workable policies, incentives and programmes and other institutional supports (Desai, 2010; Akawu et al., 2018). In other contexts, innovation is perceived as one of the major keys that is required to drive the market including the SMEs finance market (International Finance Corporation, 2022). The report suggests that MSMEs still dominate economies despite the rising challenges that impact the operations and performance of SME businesses. Further, the assessment of Nigerian context of SMEs on how to drive the success of entrepreneurs, Abuja Enterprise Agency (2023) evaluated the collaborative endeavors that should light up the growth of SMEs. The agency emphasized the role of sensitization programmes, MSME empowerment initiatives, workforce training, improvement of access to finance, deepening partnerships with support institutions like financial institutions, and adoption of social media marketing to grow business potentials. Further PwC (2020) report conducted prior to COVID-19 pandemic revealed that the burning issues among SMEs centre on susceptibility of Nigeria's business environment to activities in the global economy such that it is impacting the business environment and market/economic conditions; tax issues that shows existence of several tax authorities leading to multiple taxations, inadequate implementation of technology in tax payments; limited access to funding as about 48% funds are sourced from family and friends while only 49.%% have access to credits from banks. The sources of finance SMEs usually access is captured on figure 1.

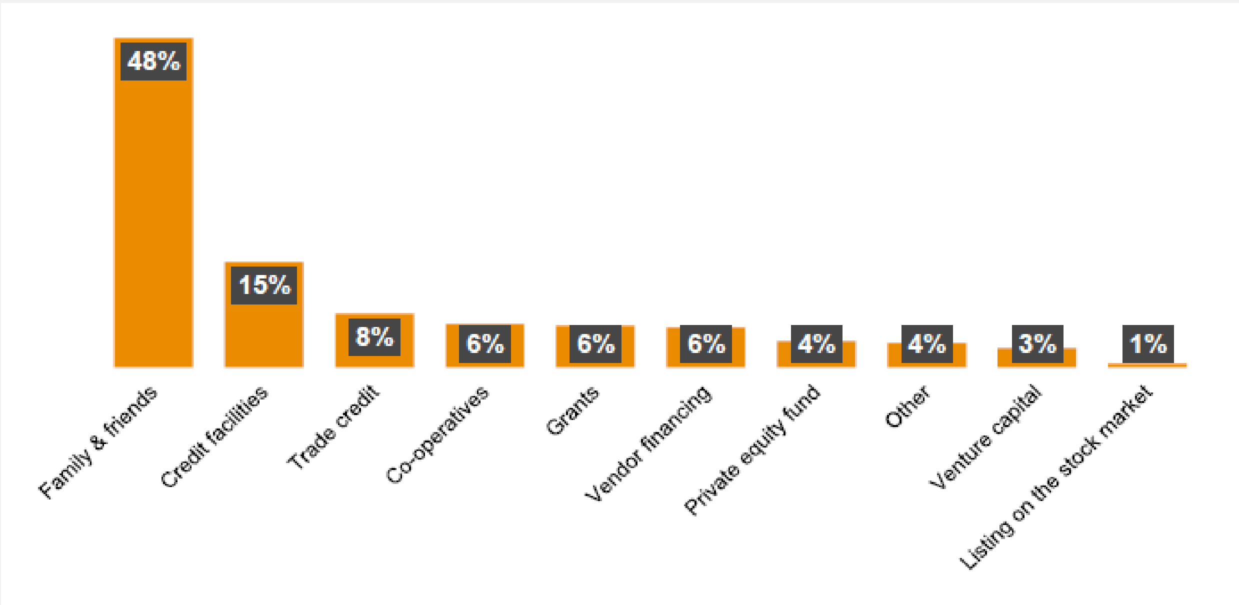

Figure 1: Sources of SME financing
Source: PwC (2020)

Empirical studies such as Eyanuku (2022) suggest that capacity development is essential for SMEs following its impact on the performance of SMEs. However, the studies on SMEs vary widely and have continued to evolve following the significant role it plays. Some studies focus on SMEs' impact on economic and growth development (Mokuolu & Oluwaleye, 2023; Olainyi *et al*., 2022) others consider impact of government support (Akawu et al., 2018) while some others have looked at the role of celebrities in endorsing SME's handiworks such as footwears (Oteh *et al*., 2022). The implication is that studies have significantly varied when studying SMEs. However, there are common factors that are key interests of researchers. These are the access to funding (PwC, 2020; Agwu & Emeti, 2014; Adepoju, 2003), socio-economic issues associated with SMEs on performance like unemployment (Ogunjimi, 2021), technological factors (Oyibgo *et al.,* 2023).

Access to Funding: Finance is a key aspect for SMEs. SMEs access is to finance is yet to reach an appreciable level following the 49.5% rate of access to bank credit to which sole proprietors are the greatest majority (PwC, 2020). It is considered a major factor that hinders the operations of SMEs as they pursue growth and attainment of objectives (World Bank, n.d.). However, financial institutions are considered the key player in mitigating financial challenges of SMEs (Zhu et al., 2019) given that inadequate funding is capable of impacting the performance of SMEs (Opara, 2011) and majority of SMEs source their funds from family and friends and personal savings (PwC, 2020). With regards to banks' sources of capital, the requirement of collateral and other requirements such as inadequacy of proper documentations work against the SMEs in accessing loans from banks (12). However, the following are five funding opportunities for SMEs in Nigeria sponsored by the federal government (Alile, 2021): Loan from the Bank of Industry (BOI), The YES programs by the Lagos State Government, Crowd-fund, GroFin fund, You-Win connect Nigeria project for SMEs among others. Adequate access to funds from the government will grow SMEs to automation and provide succor to them.

Modern technology: The ability of Nigerian companies to satisfy and retain customers depends mainly on the development and use of information technology infrastructure (Ihemeje, 2016) and another technology base of production and market offer. In the bid to catch up with global developments and improve the quality-of-service delivery, SMEs must invest in technology, such as widely accommodated electronics and communication networks, to deliver a wide range of value-added products and services to customers. However, the context of modern technology implies an innovation that is better than existing one. It often offers better performance and yields improved benefit to the old technology. According to Oyigbo et al., (2023) modern technologies are within the context of recent developments in integrated systems, internet, hardware, and software that can impact business performance better. Reliance on modern technology is often seen with growing businesses (Uduakobong & Okonkwo, 2021) as they use it to improve productivity and profitability, quality of products and service, compete favourably in a competitive business environment, enhance decision making and impact sales of the SMEs (Idris et al., 2022).

Training: Training is to inculcate in the new hire or existing employee the learning, ideas, morals and principles guiding the new assignment or to assign a sense of responsibility in line with organizational activity aimed at bettering the performance of individual and groups in organizational settings (Onyi, 2014). Training is for specific skills; it is both focused upon and evaluated on job-oriented principles that the individuals are currently holding. Training is the most effective means of staff development in organizations. Therefore, the required training should include on-the-job and off-the-job orientation courses, informal and formal courses, coaching, etc.

Tax Relief: The critical challenge in taxation is multiple taxes which according to PwC (2020) are one of the burning issues associated with SMEs challenges. Multiple taxes are situations where businesses and individuals pay taxes to different agencies and layers of government under different guises over the same revenue item. Accordingly, Olatunji (2022) states that multiple taxation can be seen as compulsory payment without legal backing, tax demand by two or more different government agencies, imposing two or more taxes by same-level agencies on the same tax base, and situations where various government agencies impose taxes in the form of fees or charges. Enough government incentives like relief on taxes and levies will help SMEs maximize profits and increase their retained earnings for wealth creation and employment opportunities for youths. Other burning issues on SMEs taxation is inadequate coordination of federal and state tax agencies, limited or lack of integration of technology in tax collection, lack of fully functional tax refunds, unavailability of payment tax schedule that is comprehensive and the harassments of tax collectors (PwC, 2020). SMEs often find it challenging to comply with local government taxes, company income tax, value added tax and pay as you earn (PAYE) (PwC, 2020). The implication is the need for tax relief such as initial tax-free period for SMEs in certain sectors like production. According to PwC (2024) Nigerian government offers tax holidays, rural location incentives, export incentives, export expansion grant scheme, gas utilisation incentives, tourism incentives, interest incentives, investment allowances, road infrastructure development and refurbishment investment tax credit scheme, and foreign tax credit to SMEs in diverse sectors with the intention of encouraging investment in the sectors. However, the impact of 2019 Finance Act on MSMEs is on figure 2 while the key tax considerations for the MSMEs are on figure 3.

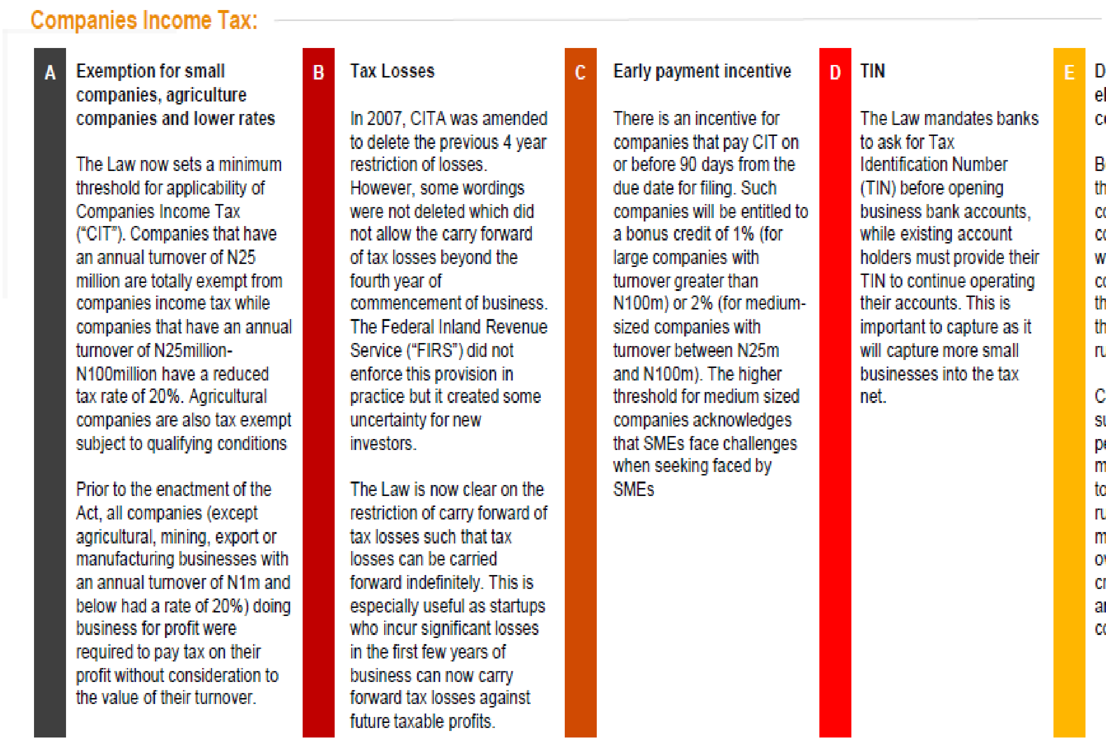

Figure 2. Impact of Finance Act (2019) on MSMEs in Nigeria
Source: PwC MSME Report 2020

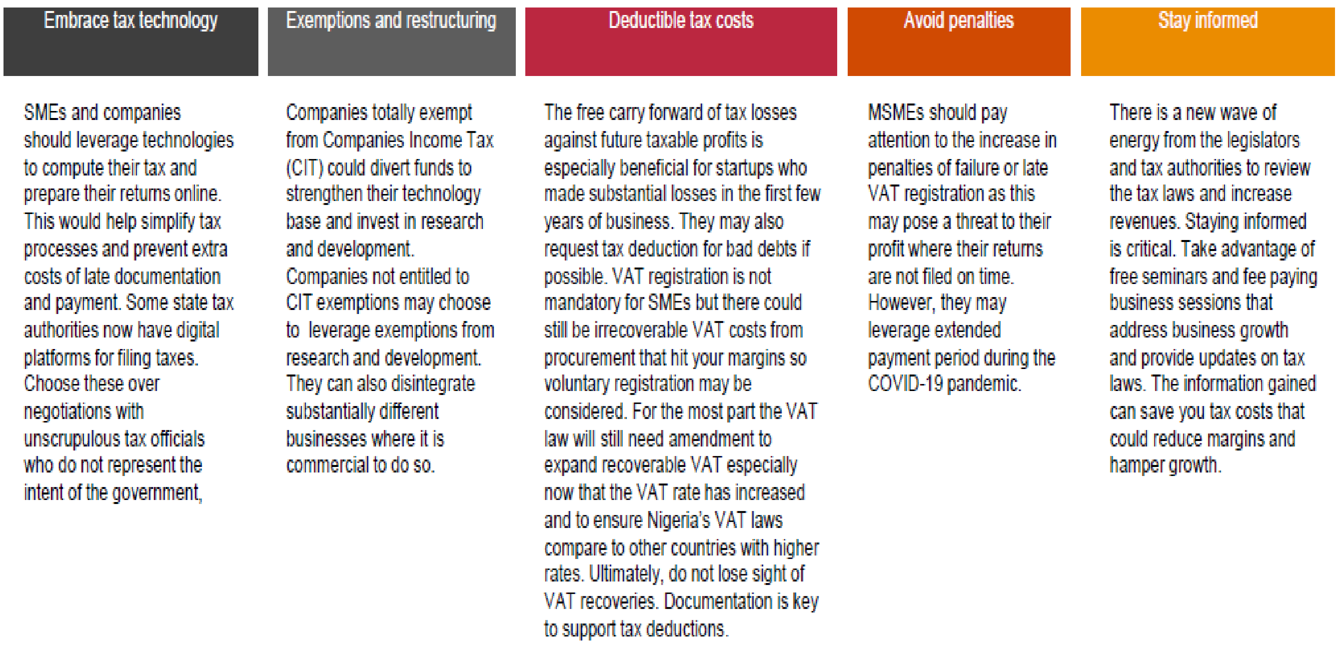

Figure 3: Key tax considerations for SMEs from Finance Act (2020) post COVID-19 pandemic
Source: PwC MSME Report 2020

Infrastructure: Infrastructural development stands for those public facilities and incentives that are supplied to the public to improve the quality of life (Inyiama et al., 2017) as cited by (Musa et al., 2021). Some notable infrastructures include good roads, regular electricity supply, transportation, technology development, piped-borne water, education, and hospitals. Infrastructure investment is an essential driving force to achieve rapid and sustained economic growth. According to Agwu and Emeti (2014) and Ajayi and Jegede (2014) it is one of the significant challenges confronting SMEs.

Performance: Performance is considered by Wheelen and Hunger (2002) as the end results emanating from activity. In business terms, it deals with the results that are consequences of business activities such that the performance can be good or bad. It is an aftermath of individual, social and organisational performance such that they are grouped as financial or non-financial performance (Kim, 2009). Originally, it is perceived from financial metrics dimension such as profitability and market share. Thus, performance can be measured from financial terms or as operational efficiency (Nguyen et al., 2021). However, Pont and Shaw (2003) provided a comprehensive understanding that helps the understanding of the metrics of measuring performance. According to the authors, performance can be in financial metrics such as gross operating profit, return on capital and return on sales. It can also be in non-financial metrics such as customer loyalty, satisfaction and employee turnover. Notably, the performance was approached from the profitability, market share, youth employment, lower cost of production, and sales turnover.

The Abia State Model for SMEs

To tackle the problems and challenges of SMEs in Abia State, the government has resulted in a deliberate, painstaking roadmap and diligent pursuit of visible impact-yielding measures in SME developments in financing, infrastructure, training and modern technology assistance. These positive impacts guide the path of the Abia State model for the sustainable development of SMEs in Abia State. The Abia State government has tried to rebrand and reposition Abia State as an undisputed SME centre of excellence in Nigeria. This drive is propelled by the "Made in Aba" and "Abia to World Campaigns" aimed at enhancing small-scale business opportunities and partnerships between Nigeria, Africa, Australia, China, and other foreign countries (Premium Times, 2023). The Abia State Government empowered some youths with cash as loans that seem insufficient to sustain businesses, no tax reduction as rebates for Abia State SMEs, and what is obtained as taxes are questionable, resulting in multiple taxation. The state government built some roads, and among the urban beneficiaries is the Ariaria International Market, which has drainage and culverts. Also, government-sponsored 30 youths to understudy automated shoemaking in China to boost footwear and garment products**.** Finally, the establishment of Enyimba Automated Shoe Company in Aba has improved the shoe-making productivity in Abia State. So, some SMEs in Abia State are now brick-and-click businesses, making use of social media tools to market their products.

Theoretical Support

Extant literature shows that there are multiplicities of theories used by researchers to underpin their studies while some others such as Gumel and Bardai (2021) did not underpin their study on any theory. Other studies such as Obot et al (2023) underpinned their study on information asymmetry theory, imperfect information theory, and theory of change. Mokuolu and Oluwaleye (2023) underpinned their study on supply leading hypothesis, financial repression hypothesis, and endogenous growth theory. Olaniyi and Adekanmbi (2022) supported their study with Keynesian economic theory, proportionate growth theory, and need achievement theory. Akawu *et al.,* (2018) anchored their study on two theories that include contingency theory and economic theory of entrepreneurship. Eyanuku (2022) underpinned the study of SMEs capacity development and entrepreneurship on performance and human capital development theory, and dynamic capabilities and capacity building theory. However, the study is underpinned on dynamic capabilities and capacity building theory. The implication of the theory is that SMEs ability to solve problems in dependent on their dynamic capabilities which is made up of managerial and organizational processes and formed by other dynamic capabilities leading to multi-dimensional construct, useful in decision making and has the ability of modifying other dynamic capabilities (Li & Liu, 2014). According to Barreto (2010) the theory focuses on the constructs of propensities that include changes to resource base, opportunity and threat detection, timely decision making, and capability monitoring. The theory calls for the adequate resource management against competition within and external to the industry (Eyanuku, 2022). It is connected to training or learning by doing methodology (Ringim et al., 2014), improvement of organization through training and education (Murphy & Hill, 2015). In the context of the study, the training, taxation, technology, infrastructure, finance are within the propensities captured by the dimensional constructs of Barreto (2010). Madeiros et al., (2020) studied the dimensional constructs and articulated it in constructs that involved sense-making, implementation of change, and competitive advantage with sense making having sub-constructs of environmental monitoring, identification of opportunities, assessment of the resource base-asset position, market modification of resource base, and market orientation.

METHODOLOGY

This study is an exploratory study that incorporates a quantitative approach. The sampling technique adopted was the judgmental method and targeted 30 youths in the Abia State government trained in China as shoe-making entrepreneurs. Data was sourced using questionnaires administered to the target samples. Analytically, the study employed multiple regression models. This design was adopted because the respondents are homogenous, being SME operators within the same environmental coverage.

To ensure consistency, the study checks for the reliability of the instrument, and the result is presented in Table 1

Table 1: Reliability of instrument statistics.

Cronbach's alpha	Cronbach's Alpha Based on the study item	No of items
0.749	0.809	2

Source: Field Survey, 2023

The questionnaire was tested for reliability and internal consistency in each of the constructs of the proposed model to ensure that it would yield the same result when applied to the same situation at different times. A Cronbach's Alpha result showing 0.70 and above ensures internal consistent checks are proven reliable (Anyanwu, 2016; George & Mallery, 2003).

Model Specification

As a multivariate analysis, the model specification for this study will be adopted thus:

SMEs $= f$ (FIN, MTL, INF, TR, MTEC) 3.1

SMEs $= \beta_0 + Fin_1\beta_1, + Mtl_2\beta_2, +_, Inf_3\beta_3 + Tr_4\beta_{4,} + Mtec_5\,\beta_5 + U_t$ . . . 3.2

Where;

SMEs = (SMEs Opportunities and capacity development), FIN = (Access to Finance for profitability), MTL = (Multiple taxes and levies relief for market share), INF = (Infrastructure for employment of youths), TR = (Training to improve production costs), MTEC = (Modern Technology to improve sales turnover), β_0 = (Intercept), β_1–β_5 = (Coefficients of the independent variables) and U_t= (Error term).

Decision Rule

Reject the null hypothesis (Ho) if the value of F-stat is found to be large or very large and F-stat prob. value (0.005). Otherwise, accept the alternative hypothesis (H_1). The relationship established will be deemed significant when the Probability (P) value obtained in the regression analysis in each case is less than 5% of significance **(P-value < 0.05).**

RESULTS AND DISCUSSIONS

Demographic Profile:

Gender: All the respondents were male.

Table 2: Distribution of respondents by age (years)

Age	20 – 30	31 – 40	41 – 50	Above 50
No.	6 (23%)	7 (27%)	10 (38%)	5 (12%)

The table above shows that the majority of SMEs are youths, maintaining 38% of the population.
The respondents reveal that the majority of the SMEs have primary education, with emphasis that the sales turnover of the SMEs increased from year to year, especially after the China training, with 58% of the SMEs recording between N10m and above in 2021–2022 financial year. Also, evidence shows that the majority of respondents, about 55%, has good experience and is skillful.

Establishing new outlets reveals that the SMEs continued to increase their branches after the China training. This shows great improvements in 2022. Evidence shows that the number of youths employed by SMEs increased in the year 2021 – 2022 in the category of 5 employees, meaning that SMEs continued to develop more people after the China training.

Table 3: Questionnaire distribution of respondents

No Distributed	No Returned	Percentage returned
30	26	87%

The questionnaire was distributed randomly amongst the 30 trained SMEs. 26 out of the sampled questionnaire responded to. This gives 87% of responses, and it is duly commendable.

RESULTS

Table 4: Correlation matrix

	Finance	Tax relief	Infrastructure	Training	Technology
Finance	1.000				
Tax relied	-0.094	1.000			
Infrastructure	- 0.085	0.646	1.000		
Training	0.382	0.382	0.050	1.000	
Technology	-0.376	0.653	0.042	-0.178	1.000

Table 9 shows that the independent variables were normally distributed at a 95% level of confidence within two standard deviations (2-tailed) of the mean at 5% (0.05 level of significance). The implication is that the data were reliable and fit for conducting regression analysis.

Table 5: Correlation result of the models.

		Amount involved	Actual loss
CAPADEV	Pearson correlation	1	0.965**
	Sig. (2-tailed)		.000
	N	26	26
SMEs	Pearson correlation	0.965**	1
	Sig. (2-tailed)	.000	
	N	26	26

** Correlation is significant at the 0.05 level (2-tailed).

The correlation analysis between capacity development (CAPADEV) and SMEs was very strong at 97%. This explains that the independent variables investigated are significant drivers of SME businesses.

TEST OF HYPOTHESES:

Hypothesis 1:

Table 6: Regression model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1.	.865	.749	.729	.26058

a. Predictors: (Constant), finance

The correlation result in Table 11 shows that Multiple R = 0.865, indicating a strong correlation between SMEs and finance, leaving 13% explained by other variables. The R^2 = 0.749 and R^2 adjusted = 0.729, meaning that the model has the goodness of fit at a 5% significant level and predicts well.

Table 7: Analysis of Variance (ANOVA)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	22.216	1	22.216	327.177	.000
	Residual	1.630	24	.068		
	Total	23.846	25			

a. Dependent Variable: profitability

b. Predictors: (Constant), finance

The variation that exists in Table 12 between SMEs and finance shows that the ratio of the regression and residual value means (Fstat = 327.177) is very large at a significance level of <0.005 at (Prob. 0.000). This means that the estimated regression model is well specified. So, with Fstat = 327.177 at an observed significance level of less than 0.0005, the null hypothesis is rejected.

Table 8: Regression Analysis

Model		Unstandardised coefficients		Standardised Coefficients	t	Sig.
		β	Std. Error	β		
1	(Constant)	.310	.206		1.503	.146
		6.292	.348	.965	18.088	.000

a. Dependent Variable: profitability

Table 8 states that finance has a positive coefficient (6.292), showing that the predicted value of SMEs will increase when finance increases in the same proportion. SMEs = 0.310 +6.292 Fin + ε.

Hypothesis 2

The correlation result shows that Multiple R = 0.535 indicates a strong correlation between SMEs and multiple tax/levies, leaving 46% explained by other variables. The R^2 = 0.286 and R^2 adjusted = 0.257, meaning that the model has the goodness of fit at a 5% significant level and predicts well. The relationship is good, though it has a goodness of fit, but it may be a minor driver in this industry sector.

The ANOVA shows the variation that exists between SMEs and multiple tax/levies, indicating that the ratio of the regression and residual value means (Fstat = 9.636) is large at a significance level of <0.005 at (Prob. 0.105). This means that the estimated regression model is well-specified. So, with Fstat = 9.636 at an observed significance level of less than 0.005, the null hypothesis is rejected.
The regression analysis here shows that multiple taxes/levies have a negative coefficient of -0.308, indicating that the predicted value for CAPADEV decreases for every eventual one-unit increase in the value of multiple taxes/levies. SMEs = 2.66 + 0.308Multi + ε.

Hypothesis 3
The correlation indicates that Multiple R = 0.534, indicating a strong correlation between SMEs and infrastructure, leaving 47% explained by other variables. The R^2 = 0.285 and R^2 adjusted = 0.266, meaning that the model has the goodness of fit at a 5% significant level and predicts well.
The ANOVA shows the variation that exists between SMEs and infrastructure reveals that the ratio of the regression and residual value mean (Fstat = 3.302) is large and greater than <0.005 at (Prob. 0.000). This reveals that the estimated regression model is well specified. So, with Fstat = 3.302 at an observed significance level of less than 0.0005, the null hypothesis is rejected. Infrastructure is a good driver for small- and medium-sized businesses.
The regression analysis of the coefficient of determination shows that infrastructure has a positive coefficient of 0.960, revealing that the value of SMEs will increase by 0.960 for every additional one-unit increase of infrastructure in SME businesses. SMEs = 2.552 + 0.960Inf + ε.

Hypothesis 4
The multiple regression model shows Multiple R = 0.274, indicating a very weak relationship between SMEs and training, leaving 73% explained by some SMEs who must have gotten skills and training from apprenticeship or mentoring before coming to operate businesses. The R^2 = 0.075 and R^2 adjusted = 0.037, meaning that the model has the goodness of fit at a 5% significant level and predicts well.
The ANOVA in this section shows the variation that exists between SMEs and training and reveals that the ratio of the regression and residual value mean (Fstat = 1.950) is large and greater than Prob. value (Prob. 0.175). The null hypothesis is rejected. Adequate training is good and enhances productivity and reduces costs. SMEs need retraining from time to time.
The regression analysis shows that training has a positive coefficient (0.324) at prob. (0.175) and is positively related to SME business. So, for every 0.324 unit increase in training, the capacity of SMEs will increase equally at the same proportion. SMEs = 2.242 + 0.324train + ε.

Hypothesis 5
The correlation result explains that Multiple R = 0.477, indicating a weak correlation between SMEs and technology, leaving 52% explained by other factors. The R^2 = 0.227 and R^2 adjusted = 0.195 means that the model has the goodness of fit at a 50% level of significance and predicts well. Modern technology is new and expensive to most SMEs in Nigeria, and the adoption rate still needs to be higher.
The ANOVA expatiates the variation that exists between SMEs and technology, revealing that the ratio of the regression and residual value mean (Fstat = 7.055) is large and greater than Prob (0.014). Therefore, the null hypothesis is rejected. Modern technology is essential and highly significant in today's SME businesses.
The regression analysis of the coefficient of determination indicates that modern technology has a positive coefficient of 0.267 and is positively related to SMEs. So, for every 0.267 unit increase in technology advancement, the capacity of SMEs will also increase at the same rate.
SMEs = 0.300 + 0.267tech + ε.

Discussions
The inputs in this research are to comprehend the relevance of SMEs in national economic growth and the primary drivers. The demographic profile explains that the majority of SMEs is males of young ages and has basic education.
The results of the hypotheses tests are presented thus: Hypothesis 1 (H_1 = 6.292), Finance has a positive coefficient, and it is related to SME operations. So, the more SMEs have access to finance, the more profits they make. The various governments should grant financial assistance to SMEs as development funds; this is supported by Alile (2021), who advised that there should be reduced bottlenecks in SMEs' access to credit facilities from banks.
Hypothesis 2 (H_2 = 0.308): Multiple taxes and levies have a negative coefficient, meaning a negative relationship with SMEs in the shoe-making business. This does not mean that this variable is insignificant to other SMEs. Multiple taxation increases costs and reduces the profits of SMEs. Although the consumer

pays the final price, taxation is significant in SME businesses to remain competitive (Olatunji, 2022) and increase market share.

Hypothesis 3 (H_3 = 0.960): Infrastructure has a positive coefficient, and it is positively related to SME business. Infrastructural developments are vital to SMEs' growth and support for a stronger economy (Robul, 2020), accelerated market penetration and resistance to obstacles that may hinder profitability, firm growth and employment of youths.
Hypothesis 4 (H4 = 0.324): Training has a positive coefficient and is positively associated with SME businesses. Taiminen (2015) averred that proper training and retraining of SMEs enhances the identification of critical factors by SMEs as metrics for negotiation, employment, costing and other processes that could give support to competitive marketing strategies in reaching customers and reducing costs in product quality and production.
Hypothesis 5 (H5 = 0.267): Modern technology has a positive coefficient, and it is positively related to SME businesses. Modern technology aids business strategies in giving access to goods and services through developed platforms. Supporting the influence of modern technology in SME business, Somjai (2020) posits that despite the perceived barriers to implementation and adoption, technology transformation inspires managers, encourages employees, creates a positive impact on sales, and reduces marketing costs for improved sales turnover.

CONCLUSION AND RECOMMENDATIONS

Small and medium businesses have been considered major drivers of economic growth in nations like Nigeria; SMEs are faced with significant challenges, which they overcome while pursuing opportunities. These opportunities include attracting near customers and developing youths for employment. The major influencers of small and medium businesses identified and tested proved significant to the study. For the sustainability of the capacity development of SMEs, the investigated factors were found capable of driving the SMEs successfully but need to be adequately implemented by the government. The adoption of modern technology in the shoe-making business in Nigeria will explore motivation, reduce the importation of footwear, and create jobs, employment and security if the government can utilize the insight provided by this study. It is recommended that the governments should apply change management in policy schemes to grow SMEs for sustainable economic growth in Nigeria. Hinging on the discoveries extracted from this study, the following recommendations are made thus:

1. That the SMEs should have encourage access to financial facilities from government. It is very poor to have a record of 4% access to finance by SMEs in Nigeria.
2. The governments in Nigeria should eradicate multiple taxation for SMEs. However, reduced taxes will encourage SMEs to reduce production cost.
3. Infrastructural inadequacy should be discouraged in Nigeria. Adequate roads, rails and electricity infrastructure should be provided for SMEs.
4. As demonstrated by Abia State government by sending 30 SMEs operators for overseas training. This noble initiative should be repeated and emulated by other governments.
5. The world has been connected digitally so advanced modern technology should be encouraged by governments in policy making and implementation by both SMEs and government.

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