

SMALL SCALE BUSINESS AS A TOOL FOR ENHANCING ECONOMIC GROWTH OF RURAL WOMEN IN ILARO, YEWA SOUTH LOCAL GOVERNMENT, OGUN STATE

Jiboku, Olubisi Olusola; Chapi, Harriet Ocheneme; & Oderinde, Oluwatoyin Mary

The Federal Polytechnic, Ilaro. Ogun State, Nigeria

bisijiboku2018@yahoo.co.uk, chapihari@gmail.com, oderindeoluwatoyin966@gmail.com

ABSTRACT

Recession and economic depression is a major source of poverty in both rural and urban parts of Nigeria today. It is a fact that the government alone cannot solve the economic challenges of the populace. This ugly trend has resulted in no small measure to poverty, unemployment and many other economic hardships for the citizenry. Thus, small scale business has provided a succor for economic growth among the rural women. This paper examines the effect of small scale business in enhancing the economic growth of rural women in Ilaro Yewa South Western part of Nigeria. Cluster sampling technique was employed to selected ninety (90) small scale entrepreneurs in Ilaro for the study. The questionnaire instrument was designed to collect data from the respondents. The structured questionnaire was divided into two parts. Simple percentage was employed to analyse the data. The result shows that greater percentage of the women now engage in small scale businesses to survive and sustain the meager income of their families. The result also shows that creations of jobs by women entrepreneurs have reduced the rate of crime in Ilaro. From the results, it is recommended, that the rural women entrepreneurs need to be given workshops on various strategies they can employ to add values to their businesses and how to source for loans for their businesses; this will invariably help to reduce the poverty level in the society.

KEYWORDS; Small Scale Business, Economic growth, rural women, poverty alleviation, entrepreneur.

1. INTRODUCTION

One of the most important issues of humanity is economic growth. In Ilaro Yewa South Local Government economies, recession and prosperity periods are regularly succeeding with different types of small scale business. This is one of the most effective tools for ending poverty and achieving sustainable development. The traditional roles played by women in a typical Ilaro Yewa South Local Government family setting are enumerable. In Ilaro, for example, as a result of the inadequate establishment of government outfits and industries, apart from the federal higher institution and cement factory, majority of the women engage in small scale business activities such as hair dressing, catering, fashion designing, farming, soap making, 'fufu' processing, poultry, fish farming, etc. Thus, they play complementary roles in providing for their families and thereby contributing to the economic growth of the society. A small scale business can be defined in many ways and has different meanings to different people. The parameters for the definition include value of assets, number of employees, sales revenue, size of capital, and turnover rate.

According to Onuoha (2014), a small scale business is one that is independently owned and operated, and in which the owner is the sole decision maker and the overall boss. A small scale business has also been described as a small enterprise in which the manager personally performs all the functions of management. Other scholars see small scale business as a manufacturing establishment employing less than ten (10) workers and having capital base not exceeding two (N2,000,000) million naira. Arvind (2008) opined that small scale business has less than 100 employees, owned by one or few individuals with the exception of the marketing function, has geographically localized operations and does not dominate the industry. A small scale enterprise is a business that is not large in terms of its size, scope of operation, financial involvement and the workforce involved. Most small scale enterprises are owned by one entrepreneur. To Nicholas (2007), a small scale business must have few employees, limited capital investment and small scale operation. This is said to be a firm that is independently owned, and operated by a sole proprietor and it is not dominant in its field of operation. In essence, it is a business in which its owner influences the entire decision-making process, the business has relatively small market share and low capital requirement for its operation. The small scale businesses have the potentiality of reducing the rate of unemployment in Nigeria, thus contribute to the Gross Domestic Product (GDP) and economic growth of the nation (Oshagbemi, 2010). The industrialized nations having attained technological advancement today owe their present position to the establishment of small scale industries in

the past. These serve as pivot for technological take off and self-reliance. In most cases, these small scale businesses are majorly established and controlled by women not only to boost their economic independence but also the economic growth.

However, there are various hindrances that are encountered in becoming successful entrepreneurs. These are finance, weather, marketing, transportation, storage facilities, social constraints, etc. It is perhaps for these reasons that government bodies, NGOs, social scientists, researchers and international agencies have started showing interest in issues related to small scale businesses among women in Ilaro Yewa South Local Government. This is because empowerment is the vehicle to socio-economic growth of women entrepreneurs.

Succinctly, to Rana and Masood, 2011, the number of women who have entered the field of small scale businesses in recent times has increased tremendously.

In Ilaro for example, the emergence and growth of these businesses have contributed to the economy and the society at large. As a result of this trend, women became empowered to be self-reliant, thereby contributing effectively to the progress and sustainability of their homes and the economy. A major characteristic of small-scale business in Nigeria relates to ownership structure which largely revolves round a key man or a family. Hence, majority of the small-scale business is either sole proprietorship or partnership. Even where the registration status takes the shape of limited liability company, the true ownership structure is that of a one-man or partnership business.

Dozie (1995), Owualah (1999), and Lawal (2000), described the characteristics of small scale enterprises as follows:

- ✓ Personal savings of the owner form the start-up capital of the business
- ✓ Low Initial capital requirement
- ✓ Simple technology, etc.

The major aim of this study is to examine small scale business as a tool of enhancing economic growth of rural women in Ilaro Yewa South Local Government, Ogun State. Other specific objectives include: to analyse the effect of the activities of women on the reduction of poverty level in Ilaro Yewa South Local Government; Ogun State; to examine the impact of women entrepreneurs on the creation of employment opportunities in Ilaro Yewa South Local Government, Ogun State and to determine the impact of women entrepreneurs' activities by way of job creation and the reduction of crime rate in Ilaro Yewa South Local Government, Ogun State.

2. LITERATURE REVIEW

2.1 Women and Small Scale Business

According to Pareek (2012), women in small scale business are referred to as females who play captivating part by repeatedly interacting and keenly adjusting herself with financial, socio-economic, and support spheres in society. The impact of small scale business on women is gaining recognition intensely; worldwide. As the number of female business owners continues to increase steadily, they continue to have impact in the Ogun State economy. Women in small scale business around the Ilaro Yewa are major contributors to the economy

Women contribute numerous ideas, great deal of energy and capital resources to their communities and generate jobs as well as create additional work for suppliers and other spin-off business linkages. Despite these, there are major challenges they encounter in the course of carrying out their business activities. These are mostly gender-based discrimination, lack of shared support, limited or no access to information, not enough education & training facilities, lack of trust in their capabilities and access to resources (Afza, Hassan, and Rashid, 2010).

2.2 Reasons for Engaging in Small Scale Business

There are several factors which can propel women to be involved in small scale business. These are personal motivations, socio-cultural factors, availability of finance, government schemes support and business environment. Mallika Das (2000) observed in her study that most common reasons for the success of women in small scale business are personal qualities such as hard work and perseverance. Some independent factors are market opportunity, family factors which vary according to parameters such as region, gender, age, family background, and work experience. Several surveys conducted in different parts of the world regarding women in small scale business management showed that women have proved to be good entrepreneurs for the following reasons: economic independence, love for establishing one's personal idea, social identity, achievement of excellence, confidence, status in society, greater freedom and mobility

2.3 Challenges of Small-Scale Business

Kishor and Choudhary (2011) in their study, emphasized that despite the fact that small scale business has the potentials for empowering, liberating improving, and creating an opportunity for women well-being, there are many challenges encountered by them. Kumari (2010) conducted work in the rural areas, the results of the study indicated lack of supportive network, financial and marketing problems were the major problematic areas for rural women who involve in small scale business. The main challenges faced by rural women in business are lack of technical knowledge and skills in making a balance between their time, work & family.

Some of the challenges faced are as follows:

i. Dual role of women: overlapping of business and family

As the boundaries between the business and the family tend to be indistinct, women operating small scale businesses face a unique set of issues related to personal identity, role conflict as wives and mothers, family relationships, and attitudes towards authority. Additionally, businesses owned by women are financially disadvantaged and are forced to rely on internal resources for managing the business rather than from outsiders.

ii. Problem of finance

There are several bottlenecks and a gap in availability of credit for women. The multiplicity of schemes is not adequately listed nor is there networking among agencies. As a result, clients approaching one institution are not made aware of the best option for their requirements.

iii. Illiteracy among rural women

The literacy rate of women in Ilaro Yewa is found at low level compared to male population. The rural women are ignorant of new technology or unskilled. They are often unable to do research & gain the necessary training. The uneducated rural women do not have the knowledge of measurement and basic accounting.

iv. Lack of information and assistance:

Another significant need of many women business owners is obtaining the appropriate assistance and information needed to take the business to the next level of growth.

v. Need of training and development

Most women who were involved in small scale business do not have time to attend training and development programmes. They consider this as a waste of time, they rather give more emphasis of not missing a single daily sales opportunity.

vi. Male dominated society

The male-female competition is another factor, which develop hurdles to women entrepreneurs. Despite the fact that women entrepreneurs are good in keeping their service prompt and delivery in time, due to lack of organizational skills compared to male entrepreneur, women face constraints from competition. The confidence to travel hinterland day and night and even different regions and states are less found in women compared to male entrepreneurs. This shows that the low level freedom of expression and freedom of mobility of the women entrepreneurs.

vii. Competition

Women also face competition not only from relatively bigger companies but other small enterprises that engage in similar businesses.

2.4 The Role of Small Scale Business in Economy Growth

There are many roles played by small scale businesses amongst which are

i. Job creation: Small scale businesses create more jobs for women. A study revealed that it accounts for as much as 65 percent of all new employment each year. This type of business creates new jobs at faster rate than larger, older business, for instance when a poultry farm is established, it will create jobs for at least five or more people.

ii. Innovation: This is referred to as the translation of a new idea into a new company product, service or new method of production. As a result of the ability to think on new ideas, significant changes and benefits are derived from new products by the society and customers.

iii. Productivity: This is the ability to produce more goods and services with less labour and other inputs.

iv. Reduction in rural-urban migration: The development of small scale business particularly in rural areas has led to substantial reduction in migration from rural to urban centres. As a matter of fact, people living in urban centres are now more interested in migrating to the rural area for search of business opportunities in the small and medium enterprises and even setting up their own cottage industries because of the relatively low competition and high success rate.

v. Increase in the standard of living: Small scale business creates new products and services which improve the standard of living of the public at large. This is because people easily get the basic or essential goods for their survival.

Small scale business encourages improved services and reduction in the cost of processing goods and services due to dynamic competition. These outfits improve the quality of living standard and economic growth for women especially.

vi. Conservation and generation of foreign exchange: Small scale business activities generate foreign exchange from products and services which are imported to other countries e.g. honey, leather works, etc.

3. RESEARCH METHODOLOGY

This research work is descriptive. Collection of data was done for the purpose of investigating small scale business as a tool of enhancing economic growth of rural women from Ilaro Yewa South Local Government, Ogun State. It also involved sampling by using structured questionnaire to generate data that was used in the analysis so as to gain insight into the topic under investigation. In this study, the measurement types, sampling size, data collection and data analysis method, were employed, as stipulated by Cooper and Schindler (2003).

The technique used in the analysis of data collection was mostly descriptive. Analysis of data by simple percentage enabled the study of different opinions in the assessment. The targeted audience were small scale business owners and the sampling technique adopted in selecting a convenient sample size is Cluster sampling techniques.

Ilaro town was divided into four (4) clusters namely; Orita/Express, Gbogidi, Igboro and Sabo units. Thus, sample sizes of thirty (30), twenty-five (25), twenty-five (25) and ten (10) entrepreneurs were respectively selected from each cluster unit proportional to the perceived size of each unit. This gives a total sample size of ninety (90) from whom structured questionnaire were examined.

3.1 Data Analysis

The total number of ninety (90) questionnaires were administered to small scale entrepreneurs in Ilaro. 100% were returned and they were all filled by the respondents. The highest percentage of respondents was the female with 53.3% while the lowest percentage of respondents was the male with 46.7%. The age showed that 28.9% of the respondents were aged between 22-26 years, 22.2% were between 18-21 years, 20% were between 27-32 years, 16.7% were between 33-38 years and the remaining 12.2% were between above 39 years. The marital status showed that 45.6% of participants were married, 35.6% were single while 10% were widowed and 8.9% were divorced.

Table1: Percentage Analysis of small scale business effect on poverty reduction

Response	Respondents	Percentage (%)	Cumulative (%)
Yes	63	70	70
No	27	30	100
Total	90	100	

Source: Field Survey 2019

The table above shows that 70% of the respondents said 'Yes' and 30% of the respondents said 'No'. Majority were of the opinion that the activities of women entrepreneurs have an effect on the poverty level in Ilaro Yewa South Local Government, Ogun State.

Table 2: Percentage Analysis of employment creation by small scale business entrepreneurs

Response	Respondents	Percentage (%)	Cumulative (%)
Yes	83	92.2	92.2
No	7	7.8	100
Total	90	100	

Source: Field Survey 2019

The table above shows that 92.2% of the respondents said 'Yes' and 7.8% of the respondents said 'No'. Majority were of the opinion that women in small scale businesses create employment opportunities in Ilaro Yewa South Local Government, Ogun State.

Table 3: Effect of small scale business on the reduction of crime rate

Response	Respondents	Percentage (%)	Cumulative (%)
Yes	85	94.4	94.4
No	5	5.6	100
Total	90	100	

Source: Field Survey 2019

The table above shows that 94.4% of the respondents said 'Yes' and 5.6% of the respondents said 'No'. Majority were of the opinion small scale business by women entrepreneurs' activities reduces the rate of crime in Ilaro Yewa South Local Government, Ogun State.

Table 4: Knowledge of the risks facing small scale business enterprises

Response	Respondents	Percentage (%)	Cumulative (%)
Yes	69	76.7	76.7
No	21	23.3	100
Total	90	100	

Source: Field Survey 2019

The table above shows that 76.7% of the respondents said 'Yes' and 23.3% of the respondents said 'No'. Majority were of the opinion that they have inadequate knowledge of the risks facing their business.

Table 5: Effect of capital on the success of small scale business enterprises

Response	Respondents	Percentage (%)	Cumulative (%)
Yes	57	63.3	63.3
No	33	36.7	100
Total	90	100	

Source: Field Survey 2019

The table above shows that 63.3% of the respondents said 'Yes' and 36.7% of the respondents said 'No'. Majority were of the opinion that the availability of short, medium and long term capital contributes to the success of a business.

Table 6: The effect of access to financial resources on the success of a small scale business enterprises

Response	Respondents	Percentage (%)	Cumulative (%)
Yes	64	71.1	71.1
No	26	28.9	100
Total	90	100	

Source: Field Survey 2019

The table above shows that 71.1% of the respondents said 'Yes' and 28.9% of the respondents said 'No'. Majority were of the opinion that inadequate access to financial resources and credit facilities hamper the success of a business.

3 RESULTS AND DISCUSSION OF FINDINGS

The result of research questions raised in the questionnaire showed that small scale business has a great impact on the economic growth of women in Ilaro.

Secondly, the result exposed that women involvements in small scale business activities have effect on the poverty level in Ilaro Yewa South Local Government, Ogun State. This is because many who were unable to secure employment in government sector engage in small scale business and thus were able to provide for themselves and their immediate families. As a result of this, poverty level in the area has reduced tremendously.

Thirdly, due to the activities of women in small scale business, many job opportunities have been created this has led to reduced crime rate in Ilaro Yewa South Local Government, Ogun State,

Fourthly, it was revealed that most of the women entrepreneurs did not have adequate knowledge of the risks involved in business. This in most cases led to premature death of their businesses.

Fifthly, the study reveals that most women entrepreneurs do not have access to sufficient capital either short, medium and long term capital that could contribute to the success of their business. This is due to the request for collaterals by financial institutions before loans could be accessed by their customers,

4. CONCLUSION AND RECOMMENDATIONS

4.1 Conclusion

Findings showed that small scale businesses contribute immensely to the economic growth of rural women in Ilaro South Local Government. This is because, through small scale business, there is creation of employment opportunities for individuals especially women who would have migrated to urban cities in search of white collar jobs. Secondly, through small scale businesses, the level of prostitution, poverty and crime among the women is reduced to the barest minimum in the Ilaro metropolis. Also, the contributions of small scale businesses cannot be over-emphasised and this has been recognized as the main economic sustainability. This is because, small scale businesses have the capacity of enhancing the economy output and human welfare (Akingunola, 2011).

4.2 Recommendations

Based on the results and findings, the following recommendations are made as a way of preventing and eradicating poverty among women in the rural areas:

- ❖ Government should re-introduce the small scale business credit scheme without collaterals so that beneficiaries can use them to run their small scale businesses.
- ❖ Government, Chamber of Commerce and other Non-Governmental Organization (NGO) should regularly organize seminars for potential and active small scale business operators in order to educate them on how to plan, organize, direct and control their businesses.
- ❖ Small scale business operators should device effective marketing strategies. This includes such promotional strategies such as advertising, good management/customer's relations at all times.
- ❖ Government should improve on the provision of infrastructural facilities such as good road network, electricity, etc. in rural areas.
- ❖ The use of indigenous products should be encouraged and intensified by the government so that there will be ready market for the cottage industries.
- ❖ Government at all levels should reduce the taxes levied on small scale business entrepreneurs.
- ❖ Small scale business entrepreneurs should be encouraged to participate in national or international Trade fairs and exhibitions.

REFERENCES

- Arvind, K.B. (2009), *Innovation and Entrepreneurship*. Laxmi Publications (P) Ltd.Daryaganu, India. 50-59.
- Afza, T., Osman, M. H. B. M. and Rashid, M. A. (2010). Enterprising Behavior of Enterprise-less Rural Women Entrepreneurs of Khyber Pukhtan Khawa of Pakistan. *European Journal of Social Sciences*, 18(1), 109-119.
- Dozie, P. and Bickersteth, O. (1995). *Report on the First Nigerian Economic Summit*. Ibadan. Spectrum Books.
- Ingram, D. (2009). Small Scale Administration. <https://smallbusiness.chron.com>.
- Kumari, S. L. (2010). Problems Faced by Rural Women Entrepreneurs of Rajasthan, Kamla-Raj 2010 *Stud Home Comm. Sci*, 4(2): 115-119.
- Kishor, N. (2011), Opportunities and challenges for rural women entrepreneurship in Nigeria, *Variorum Multi-Disciplinary e-Research Journal*, Vol. 01, Issue-III, February.
- Lawal, A. A. (2000). *Entrepreneurship Development in Nigeria*. Lagos Ade Ola Printing Press Limited.
- Mallika, D. (2000). Women Entrepreneurs from Nigeria: Problems, Motivations and Success Factors, *Journal of Small Business and Entrepreneurship*, 15(4),67-84.
- Nicholas, S. Y. (2007). *Small Business Management* (3rd Edition). Million Publishing Company.
- Onuoha, B. C. (2014). *Entrepreneurial Development in Nigeria*.
- Oshagbemi, T. A. (2010). *Small Business Management in Nigeria*. London: Longman.
- Owualah, S. I. (1999). *Entrepreneurship in Small Business Firms, Lagos: G. Mag. Investment Limited*.
- Pareek, T. (2012). '*Entrepreneurial role stress.*', *Mimeographed Ahmedabad: Nigerian Institute of Management*.
- Rana, M. & Masood, Z. (2011). Emergence of women-owned businesses in Nigeria-insight *Journal of Arts Science & Commerce* ISSN 2229-4686.
- Definition of Economic Growth. Retrieved 10 July 2019 from: Wikipedia