

**ASSESSMENT OF THE CHALLENGES OF SMALL AND MEDIUM SCALE
ENTERPRISES IN JALINGO TARABA STATE, NIGERIA.**

BY

SADIQ SULEIMAN

Department of Public Administration Taraba State University, Jalingo
suleimansadiqb@gmail.com, +2348169545109

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UMAR DAUDA USMAN

Department of Public Administration Taraba State University, Jalingo
umardauda25@gmail.com, +2348064063948

&

SULE EPHRAIM ASHA

Department of Public Administration Taraba State University, Jalingo
suleephraim@gmail.com, +234703997001

Abstract

Small and Medium Enterprises (SMEs) constitute a large chunk of commercial activities worldwide contributing significantly to many economies. SMEs in Nigeria have performed below expectation considering the rate of unemployment, poverty and national productivities. The low survival rate of SMEs in Nigeria, Jalingo metropolies inclusive motivated this study. The assessed the challenges of Small and Medium Scale Enterprises (SMEs) in jalingo, Taraba state. The objective of the study was to address the extent to which poor financing, inadequate power supply, lack of managerial skills and multiple taxation constitute a major challenges in the performance of SMEs. The study adopted a cross sectional survey research design using 1,200 selected registered operators of SMEs in Jalingo, while the sample size of 120 was judgmentally determined from 10% of the population. Data collected were analyzed using descriptive statistics while formulated hypotheses were tested using z-test. Results from the data analysis indicated that poor financing, inadequate power supply, lack of managerial skills and multiple taxation were major challenges confronting SMEs in Jalingo, Taraba state. The study therefore recommends that government should provide long-term loans and soft loans to SMEs operators, establishment of SMEs funding agency, public/private sector partnership in infrastructural provision, capacity building (managerial skills) for SMEs operators and provision of tax incentives for SMEs operators.

Keywords: Challenges of SMEs, SMEs operators, government programmes.

Introduction

After Nigeria's independence in 1960, much emphasis has been laid on the growth of small and medium scale industries as a means of reducing the incidence of poverty and unemployment in the country. The Nigerian economy since the early seventies has been dependent on oil products. As a result of the enormous revenue generation from the oil sector, very little attention has been paid to proper development of the industrial sector. The reason for the muted performance of the industrial sector is mostly associated with the poor attention paid to the promotion and development of the small and medium scale sub-sector, which is accepted worldwide to be engine of economic growth and the basic foundation for the industrialization process of any nation that desires to experience solid development.

Entrepreneurship development is increasingly recognized as a crucial element of skill development and a cornerstone for economic revival and growth (Adegbite et al., 2021). Since the implementation of 1986 economic reforms in Nigeria, there has been a notable shift from large-scale industrial projects focused on import substitution to small-scale industries that possess significant potential for fostering domestic linkages and sustainable industrial growth. In addition to their capacity for self-reliant industrialization through the use of local raw materials, small and medium-sized enterprises. SMEs, by leveraging local resources, offer more opportunities for employment, balanced industrial development, and growth in non-oil exports (Ayoade & Agbola, 2021).

Recent studies suggest that the global economy's growth, particularly in developing countries, is strongly influenced by the activities of SMEs (Olaoluwa, 2021). SMEs have been recognized as a driving force in economic development, providing the highest employment levels and contributing significantly to the GDP (Ogunleye, 2019). However, for SMEs to achieve sustainable growth, they must overcome various challenges such as high production costs, low employee productivity, and insufficient entrepreneurial skills (Adelakun & Adebisi, 2023).

Statement of the problem

Small and Medium Scale Enterprises (SMEs) play a crucial role in the economic development of Jalingo, Taraba State contributing to employment, poverty reduction, and industrialization. Despite their importance, SMEs face numerous challenges that hinder their growth and sustainability. These challenges include Limited Access to Finance, Poor Management Skills, Inconsistent Power Supply and high taxation. These challenges collectively stifle the growth of

SMEs, limit their ability to innovate, and reduce their contribution to Jalingo's economic development. Addressing these issues is crucial to unleashing the full potential of SMEs on the economy of Jalingo, Taraba State.

SMEs are veritable engines for attainment of national objective in terms of employment generation at low investment cost, development of entrepreneurial capabilities and indigenous technology. They reduce the flow of people from rural to urban areas and can easily be established with minimal skill. They also contribute substantially to the country's gross domestic product, export earnings and development of employment opportunities. Most SMEs in Taraba State operate as family/sole proprietorship business and are generally classified into commercial, industrial and agricultural categories depending on their activities though commercial SMEs constitute more than 90% of the entire number. There are 1,200 registered SMEs in Jalingo, Taraba State offering various products/services to the general public. Because, SMEs can be established with minimal capital/registration/managerial skill, there are in the most advantage position for employment generation and promotion of entrepreneurial capacity at the local level.

Despite the presence of many SMEs in Jalingo, Taraba State, the high rate of unemployment (62%) in a population of 157,791,115 persons suggests that these SMEs are experiencing some major challenges that are hindering their performance. It is against this background that it becomes pertinent to discuss the challenges of SMEs in Jalingo, Taraba State.

This study is different from previous studies because it focuses on the challenges posed on SMEs with regard to access to funds, inadequate power supply, managerial skills and multiple taxation. The study was restricted to some selected SMEs in Jalingo, Taraba State, Nigeria.

Objective of the Study

The main objective of this paper is to ascertain the challenges facing SMEs in Taraba State while the specific objectives are to:

1. Examine whether poor financing constitute a major challenge in the performance of SMEs in Jalingo, Taraba State.
2. Ascertain whether inadequate power supply constitute a major challenge in the performance of SMEs in Jalingo, Taraba State.
3. Determine whether lack of managerial skills constitute a major challenge in the performance of SMEs in Jalingo, Taraba State.
4. Ascertain whether multiple taxation constitute a major challenge in the performance of SMEs in Jalingo, Taraba State.

LITERATURE REVIEW

Conceptual Framework

Small and medium scale enterprises

SMEs are widely regarded as the engines of economic growth and equitable development, especially in developing economies. They are labor-intensive, capital-efficient, and are expected to create a significant portion of the one billion new jobs needed globally by the end of the century (Namakula et al., 2020). In Nigeria, SMEs are considered vital for economic growth, poverty alleviation, and employment generation. Despite their potential, the recent decline in their performance in job creation has sparked considerable research interest into their challenges and prospects (Salami et al., 2022). SMEs constitute approximately 97.2% of all registered businesses in Nigeria and play a critical role in national development by positively influencing income distribution (National Bureau of Statistics, 2023).

In Nigeria, government agencies such as the Federal Ministry of Industries (FMI), Central Bank of Nigeria (CBN) emphasize nominal financial outlay as the operational indices for defining small and medium scale enterprises. The current national definition of SMEs in Nigeria as adopted at the National Council on Industry (NCI) in 1996 and as cited by the CBN, (1997) is to classify small scale enterprises as those with total cost, including working capital but excluding cost of land above N1.0 million, but not exceeding N 40.0 million with a labour size of between 11 and 35 workers. NCI refers to SMEs as business enterprises whose total costs, excluding land, are not more than two hundred million naira ₦200million(€912,813,22; Onugu, (2018). However, the Small and Medium Sized Development Agency of Nigeria (SMEDAN) defines SMEs based on the following criteria: a micro enterprise as a business with less than 10 people with an annual turnover of less than ₦5,000,000.00(€ 22,896,35); a small enterprise as a business with 10-49 people with an annual turnover of ₦5 to ₦49,000.000.00(€228,469,28); and a medium enterprise as a business with 50-199 people with an annual turnover of ₦50 to ₦499,000.000.00 (€228,469,28).

Thus, SMEs are essential for driving economic growth globally, particularly in developing countries, including Nigeria. Their importance has led to their designation as engines of growth and catalysts for socio-economic transformation (Basil et al., 2019). Notably, SMEs not only improve living standards but also facilitate local capital formation and enhance productivity levels (Brynjolfsson & Hitt, 2020).

Access to Finance and SMEs

Numerous studies have explored the relationship between access to finance and the growth of SMEs. Research indicates that access to finance remains one of the most significant challenges facing SMEs in Nigeria, despite various government initiatives aimed at supporting these businesses (Ibrahim et al., 2020). Various methodologies, including statistical analyses, have confirmed that access to funds is a crucial barrier to SME growth (Adelaja & Anigbogu, 2022). Furthermore, while finance is a significant constraint, it is not the only barrier; other factors such as poorly prepared project proposals and inadequate collateral contribute to the banking sector's reluctance to meet the credit needs of SMEs (Nwankwo et al., 2021).

The perception of SMEs as high-risk ventures often results in their inability to secure necessary financing, ultimately limiting their operational capabilities and growth potential. Moreover, their struggles to access finance from the capital market remain a critical issue (Ogunyemi & Salami, 2023).

Power Supply and SMEs

Research indicates a direct correlation between unemployment rates and power supply challenges, particularly in developing countries where unreliable electricity has led to business failures (Okechukwu & Nwankwo, 2022). Intermittent power supply is often cited as a fundamental obstacle to the growth of the Nigerian economy (Alabi et al., 2021). Scholars have argued that the inadequacy of power generation significantly hampers industrial progress and contributes to high operational costs for SMEs (Adeyemo et al., 2020).

International comparisons reveal similar issues; for instance, research in Pakistan shows that power outages adversely affect the textile industry and contribute to rising unemployment (Hussain & Noor, 2021). Statistics show that SMEs, including micro-businesses, are the largest employers in Nigeria (Ajayi et al., 2021). However, many SMEs are constrained by the high costs of electricity generation, which has forced them to rely on expensive private power providers (Ogunbiyi et al., 2023). The reliance on generators for electricity has further increased operational costs and stunted growth in various sectors (Adediran & Olufemi, 2022).

Management Problems

A significant challenge faced by SMEs in Nigeria is the lack of trained personnel and management skills (Akingbade et al., 2020). Studies indicate that a substantial proportion of business failures can be attributed to inadequate experience and competence in management (Musa et al., 2022). Inefficiencies in business management, combined with poor record-keeping, contribute to financial mismanagement and costly decision-making (Ojo et al., 2023).

Tax policy and SMEs

Tax policies significantly affect the operations of SMEs, as the financial resources spent on taxation could otherwise be reinvested for growth (Ogunleye & Nwogugu, 2021). The complexity of the tax system can disproportionately burden smaller businesses, as compliance costs can be higher relative to their size compared to larger enterprises (Weichenrieder, 2021). SMEs usually have to operate under an overbearing regulatory environment with plethora of regulatory agencies, multiple taxes, cumbersome importation procedure and high port charges that constantly exert serious burden on their operations. The regulatory environment, characterized by multiple agencies and a myriad of taxes, exacerbates these challenges and leads to higher operational costs for SMEs (Ibrahim et al., 2023).

Moreover, the burden of compliance with an overly complex tax regime may prompt SMEs to engage in informal practices that result in lower tax burdens, further complicating the overall tax system (Okonjo et al., 2022). Inefficiencies within the tax administration system lead to reduced effectiveness in tax collection, ultimately impacting resource allocation (Farzbod, 2023). Factors such as double taxation, lack of professional tax consultancy, and high taxation costs contribute to low tax compliance among SMEs (Yaobin, 2021).

Empirical Studies

SMEs in Nigeria are seen as the backbone of the economy and a key source of economic growth, dynamism and flexibility. A study done by the Federal Office of Statistics shows that 97% of all businesses in Nigeria employs less than 100 employees, implying that 97% of all businesses in Nigeria are "small businesses". The SMEs sector provides, on average, 50% of Nigeria's employment and 50% of its industrial output (General Statistics Office 2007). Indeed, there appears to be an agreement that the development of SMEs in Nigeria is a step towards building a vibrant and diversified economy (Mahmoud, 2019).

However anecdotal evidence shows that SMEs in developing countries like Nigeria are faced with a lot of challenges that have hampered their growth in recent times. Among these challenges are: intermittent power supply, indiscriminate tax levies, low accessibility to loans from financial institutions and inability to keep proper financial records. Oluboba, (2017) reports that the main problems facing SMEs, which are however not unsurmountable are: low level of entrepreneurial skills, poor management practices, low access to money and capital markets, low equity participation from the promoters because of insufficient personal savings due to their level of poverty and low return on investment, inadequate equity capital, poor infrastructural facilities, high rate of enterprise mortality, shortages of skilled manpower, multiplicity of regulatory agencies and overbearing operating environment, societal and attitudinal problems, integrity and transparency problems, restricted market access, lack of skills in international trade; bureaucracy, lack of access to information given that it is costly, time consuming and complicated at times. In the same vein Onugu, (2018) reports that the major challenges facing SMEs include; insufficient capital, lack of focus, inadequate market research, over-concentration on one or two markets for finished products, lack of succession plan, inexperience, lack of proper book keeping, lack of proper records or lack of any records at all, inability to separate business and family or personal finances, lack of business strategy, inability to distinguish between revenue and profit, inability to procure the right plant and machinery, inability to engage or employ the right caliber of staff, painlessness, cut-throat competition, lack of official patronage of locally produced goods and services, dumping of foreign goods and over-concentration of decision making on one key person, usually the owner.

Other challenges which SMEs face in Nigeria include irregular power supply and other infrastructural inadequacies. unfavourable fiscal policies, multiple taxes, levies and rates, fuel crises or shortage, policy inconsistencies, reversals and shocks, uneasy access to funding, poor policy implementation, restricted market access, raw materials sourcing problems, competition with cheaper imported products, problems of inter-sectorial linkages given that most large scale firms source some of their raw material outside instead of sub-contracting to SMEs, insecurity of people and property, fragile ownership base, lack of requisite skill and experience, thin management, unfavourable monetary policies, lack of preservation, processing and storage technology and facilities, lack of entrepreneurial spirit, poor capital structuring as well as poor management of financial, human and other resources.

Osoaba, (2016), Innag and Ukpong, (2017) opine that financial institutions classify loans disbursed to small and medium scale enterprises as “high risk loans”. They are accorded low priorities in the lending schemes especially by the commercial banks. The financial institutions also claim that the owners of these enterprises most of the time are unable to provide required collateral securities and are also unable to cope with the high interest on loan charged by commercial banks. SMEs are unable to raise funds in the capital market either because they cannot fulfill the conditions, or because they are ignorant of the facilities provided by the market. As a result of the foregoing, SMEs in general and the SMEs in particular find it difficult to expand their business operations.

Olayemi, (2020) stresses that the importances of electricity supply to the growth of SMEs and industrialization cannot be overemphasized. The author opines that the current unemployment rate is close to forty per cent and industrial capacity utilization that is below thirty per cent are major problems caused by the epileptic electricity supply. He stresses that the shortage of power supply in Nigeria has gained rapt attention of indigenous researchers because of the adverse effect it has on industrialization. Kim, (2018) also reports that shortage of power supply is the major factor that grounded many businesses in Nigeria. Some businesses have to shift their base to neighboring African countries like Ghana and Benin Republic because of epileptic electricity supply in Nigeria. China in its own wisdom leverage on this shortcoming and use Nigeria as dumping ground for generators. Most Nigerians believe that the importers of generators will do all within their power to make sure that poor electricity supply is not rectified because if it is rectified they will be out of business (Arowolo, 2019). Dismal state of infrastructure, with particular reference to power supply, transportation and workspace led to low productivity and stunted growth of SMEs.

Holtz-Eakin, (2017) document that in levying SMEs, tax ought to be done in such a way that it will put the income size and need for survival into consideration. It is expedient that enough profit allowance is given to them for the purpose of business expansion. Some scholars suggest that tax policy must be not gear toward encouraging SMEs to remain in the informal sector or to evade or avoid tax payments. Other scholars argued that many small firms in Africa, including Nigeria, choose to remain in the informal sector because of the perceived benefits derived from remaining in the informal sector outweigh the perceived costs.

Stem and Barbour, (2018) argue that for SMEs to grow, the tax rates must be realistic and not to asphyxiate the businesses of their working capital. Holtz-Eakin, (2017) argues there is no economic legal clause that is enunciated to give the preferential treatment to SMEs with regard to

tax. Some of the factors that could be advanced in favour tax concessions for SMEs includes: the presence of externalities provided by small firms that benefit the economy, the rewards for which are not fully captured by small firms, for example, there is a need for government to provide tax-break for small firms, on the basis of equity and the tax system should not be designed to affect the growth of the SME's in a negative way.

Theoretical Framework: Learning Model

This research is based on the active learning model of Erickson & Pakes, (1995), which states that a firm explores its economic environment actively and invests to enhance its growth under competitive pressure from both within and outside the firm. The potential and actual growth changes over time in response to the outcomes of the firm's own investment and those of other actors in the same market. According to this model of learning, owners or managers of SMEs could raise their efficiency through formal education and training that increases their endowments while government may support their activities through the creation of the enabling environment. Entrepreneurs or managers of SMEs with higher formal education, work experience, training and government assistance would therefore be expected to grow faster than those without these qualities. This implies that SMEs in Nigeria have prospects of experiencing growth and contributing meaningfully to employment generation only when appropriate investments are made into them by all the stakeholders. This could best be achieved by government intervention through the provision of financial assistance, social infrastructures, capacity building (managerial skills) of SMEs operators and favourable taxation policies.

Research Methodology

This study employed a cross sectional survey research design in assessing the challenges of SMEs enterprises in Jalingo, Taraba state, Nigeria. The population and sample of the study comprises of 1,200 registered operators of SMEs in Jalingo, while the sample size of 120 was judgmentally determined from 10% of the population. The questionnaire technique was used to obtain information from the respondents through simple random methods of administering them. The questions in the questionnaire were both structured closed ended and open ended questions for the purposes of eliciting more in-depth qualitative information and quantitative information. Data collected were presented using tables, analyzed using non-parametric simple percentages while the z-test statistical technique was used in confirming stated hypotheses. A total of 120 copies of the questionnaire were administered, 10(8.33%) were not returned while 110(91.67%) were used

for the analysis. The selection of these tools was informed by time available and the objectives of the study.

RESULTS AND DISCUSSION

Distribution of Responses on Research Questions

Question 1: *Does poor financing constitute a major challenge in the performance of SMEs in Jalingo, Taraba State?*

Table 1. Response Pattern on whether poor financing constitute a major challenge in the performance of SMEs in Jalingo, Taraba State

Responses Provided	Number of Respondents	Percentage of Respondents
Large Extent	70	63.64%
Mild Extent	30	27.27%
Poor Extent	10	9.09%
Total	110	100%

Source: Field Survey, 2024

Table 1, indicates that a total of 70 i.e. 63.64% of the respondents were of the opinion that poor financing to a large extent constitute a major challenge in the performance of SMEs in Jalingo, Taraba State, 30 i.e. 27.27% of the respondents expressed a mild extent opinion while 10 respondents i.e. 9.09% expressed a poor extent view that poor financing constitute a major challenge in the performance of SMEs in Jalingo, Taraba State. We therefore conclude that poor financing constitute a major challenge in the performance of SMEs in Jalingo, Taraba State as evidenced by the 63.64% large extent response of the sample respondents. This conclusion is buttressed by the observation of Fatai, (2011), that about 80% of SMEs in Nigeria are stifled because of poor financing and other associated problems. Also, Bruch & Hiemenz, (1984), in a study of SMEs in Asia observed that financing working capital needs was the most frequently mentioned problem.

Question 2: *Does inadequate power supply constitute a major challenge in the performance of SMEs in Jalingo, Taraba State?*

Table 2. Response Pattern on whether inadequate social infrastructures constitute a major challenge in the performance of SMEs in Jalingo, Taraba State

Responses Provided	Number of Respondents	Percentage of Respondents
Large Extent	80	72.73%
Mild Extent	25	22.73%
Poor Extent	5	4.54%
Total	110	100%

Source: Field Survey, 2024

Table 2, shows that a total of 80 i.e. 72.73% of the respondents were of the view that inadequate social infrastructures to a large extent constitute a major challenge in the performance of SMEs in Jalingo, Taraba State, 25 i.e. 22.73% of the respondents expressed a mild extent opinion while 5 respondents i.e. 4.54% expressed a poor extent opinion. We therefore conclude that inadequate social infrastructures constitute a major challenge in the performance of SMEs in Jalingo, Taraba State as evidenced by the 72.73% large extent response of the sample respondents. This conclusion is buttressed by the observation of Tendler & Amorim, (1996), that Nigeria's underdeveloped physical and social infrastructures create a binding constraint to SMEs growth.

Question 3: *Does lack of managerial skills constitute a major challenge in the performance of SMEs in Jalingo, Taraba State?*

Table 3. Response Pattern on whether lack of managerial skills constitutes a major challenge in the performance of SMEs in Jalingo, Taraba State

Responses Provided	Number of Respondents	Percentage of Respondents
Large Extent	68	61.82%
Mild Extent	27	24.55%
Poor Extent	15	13.63%
Total	110	100%

Source: Field Survey, 2024.

Table 3, shows that a total of 68 i.e. 61.82% of the respondents were of the opinion that lack of managerial skills to a large extent constitute a major challenge in the performance of SMEs in Jalingo, Taraba State, 27 i.e. 24.55% of the respondents expressed a mild extent opinion while 15 respondents i.e. 13.63% expressed a poor extent opinion. We therefore conclude that lack of managerial skills constitute a major challenge in the performance of SMEs in Jalingo, Taraba State as evidenced by the 61.82% large extent response of the sample respondents. This conclusion is buttressed by the observation of West & Wood, (1972), that 90% of all these business failures result from lack of experience and competence.

Question 4: *Does multiple taxation constitute a major challenge in the performance of SMEs in Jalingo, Taraba State?*

Table 4. Response Pattern on whether multiple taxation constitutes a major challenge in the performance of SMEs in Jalingo, Taraba State

Responses Provided	Number of Respondents	Percentage of Respondents
Large Extent	75	68.18%
Mild Extent	25	22.73%
Poor Extent	10	9.09%
Total	110	100%

Source: Field Survey, 2024.

Table 4, indicates that a total of 75 i.e. 68.18% of the respondents were of the opinion that multiple taxation to a large extent constitute a major challenge in the performance of SMEs in Jalingo, Taraba State, 25 i.e. 22.73% of the respondents expressed a mild extent opinion while 10 respondents i.e. 9.09% expressed a poor extent opinion. We therefore conclude that multiple taxation constitutes a major challenge in the performance of SMEs in Jalingo, Taraba State as evidenced by the 68.18% large extent response of the sample respondents.

Test of Hypotheses

H₁: *Poor financing does not constitute a major challenge in the performance of SMEs in Jalingo, Taraba State.*

As shown in appendix 2 the calculated $Z = 5.87$ is greater than the critical $Z = 1.96$. Hence, the null hypothesis is rejected while the alternative is accepted. This shows that poor financing constitutes a major challenge in the performance of SMEs in Jalingo, Taraba State.

H₂: *Inadequate power supply do not constitute a major challenge in the performance of SMEs in Jalingo, Taraba State.*

As shown in appendix 3 the calculated $Z = 9.54$ is greater than the critical $Z = 1.96$. We thereby reject the null hypothesis and accept the alternative hypothesis. This shows that inadequate power supply constitutes a major challenge in the performance of SMEs in Jalingo, Taraba State.

H₃: *Lack of managerial skills does not constitute a major challenge in the performance of SMEs in Jalingo, Taraba State.*

As shown in appendix 3 the calculated $Z = 4.96$ is greater than the critical $Z = 1.96$. We thereby reject the null hypothesis while the alternative is accepted. This shows that lack of managerial skills constitutes a major challenge in the performance of SMEs in Jalingo, Taraba State.

H₄: *Multiple taxation does not constitute a major challenge in the performance of SMEs in Jalingo, Taraba State.*

As shown in appendix 1 the calculated $Z = 7.63$ is greater than the critical $Z = 1.96$. Hence, the null hypothesis is rejected while the alternative is accepted. This shows that multiple taxation constitutes a major challenge in the performance of SMEs in Jalingo, Taraba State.

Conclusion

The significant of economic development cannot be undermined for a country that wants to be free from the shackles of unemployment, poverty and poor standard of living. This has been the focus

of government at all levels in Nigeria. As a result, several policies, schemes and programmes have been embarked upon to ensure that qualities of life of citizens are better.

In spite of the huge revenue yields largely from burgeoning crude oil sales at the time, the government at the federal and state levels failed woefully in investing the resources in developing infrastructure, creating jobs and alleviating poverty. Currently, Nigeria is ranked among countries with the highest population of extreme poor or people with abject poverty in the world. Unemployment is on the increase and standard of living is very poor.

In its latest report on the world's poverty index, titled "Prosperity for All – Ending Extreme Poverty", the World Bank listed Nigeria among five countries with the highest number of poor people in the world. The National Bureau of Statistics (NBS) state that a staggering 112.519 million Nigerians live in relative poverty conditions. This figure represents 69 percent of the country's total population estimated to be 163 million. It assumes that government intervention through the provision of financial assistance, adequate power supply and favorable taxation policies will go a long way in addressing the major challenges of SMEs. SMEs are significant to the growth and development of both developed and developing countries.

Recommendations

Arising from the findings of this study, it is suggested that Taraba State government should take the following steps to address the major challenges of SMEs in Jalingo.

- 1. Government should provide long-term loans and soft loans to SMEs:** Taraba state government should guarantee long term loans to SMEs in Jalingo since they lack the necessary collateral to access such funds from financial institutions. It should also encourage soft loans and recommend banks to do so.
- 2. Establishment of SMEs funding agency:** Taraba state government should set up an agency that will assess the working capital requirement of SMEs in Jalingo and make such funds available to them at a very low interest rate with long term repayment period.
- 3. Public/Private sector partnership in infrastructural provision:** Taraba state government should partner with the private sector in the provision of efficient public utilities (power supply, water supply, good transport/communication facilities etc.) in Jalingo to ensure uninterrupted supply of these public utilities.
- 4. Capacity building for SMEs operators:** Taraba state government should liaise with the Jalingo chamber of commerce and other non-governmental agencies in the organization of regular training programmes, seminars and workshops for potential and actual SMEs operators, where they should be educated on how to plan, organize, direct and control their businesses.

5. **Provision of tax incentives for SMEs operators:** Taraba state government should abolish multiple taxation of SMEs operators in Jalingo. The use of private revenue contractors/task force in the assessment/collection of taxes from SMEs operators should be discouraged.

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