Impact of Government Policy and Insecurity Factors on Small and Medium Enterprises (SMEs) Productivity in Nigeria

Anthony E. Hassan, Kashim Akor, Emmanuel O. Bamiduro, and Ibrahim Rauf

Abstract — The subject of SMEs roles in an economy has received considerable attention in the literature both for the developed and developing economies. However, the differences in economic policy and social environments in these economies have not been adequately situated or dissipated in the discus. This gap is what this study partly addressed in the literature. This study examined the impact of government policy/programmes and the insecurity situation on productivity of SMEs in Nigeria. The study was based on a nationwide survey conducted in the year 2020 within a design of 590 SMEs respondents with which the hypotheses were tested. The multinomial logistic regression result indicated that government policy of multiple taxation caused cost to rise for SMEs as indicated by the variable (Hikes in product price) taking on $X^2=6.163, p<0.05$ and thus has had an adverse significant impact on SMEs productivity. Moreover, none of the government programmes for SMEs growth had Wald statistics with $p$-value less than $0.05$ indicating that they have not been significantly effective in promoting SMEs productivity in the country. In addition, none of the insecurity variables had $p$-value less than $0.05$, thus insecurity has had no significant adverse impact on SMEs productivity in Nigeria. This study thus posits that multiple taxation is detrimental to SMEs productivity and thus needs to be harmonised to mitigate cost for SMEs in the country. Also, other policy initiatives need to be better crafted for greater effectiveness while the current insecurity situation in the country requires to be given closer attention with a view to curtailing it from degenerating into a worse state.

Index Terms — Economic Policy, Insecurity, Productivity, SMEs.

I. INTRODUCTION

Small and Medium Enterprises (SMEs) are regarded as significant traditional contributors to economic growth. This is because they serve as a catalyst for employment generation, poverty reduction leading to economic development. SMEs world over have been the major employers of labour within most economies compared to the major industries including the multinationals. According to the National Bureau of Statistics (NBS) as at Q4 2017, SMEs created 5% or 2.8 million of those jobs created by Micro Small and Medium Enterprises (MSMEs). Data from the formal and informal sectors suggest that SMEs employ over 60% of the labour force in Nigeria. More so, the large chunk of daily necessities in the country are not tech products, but basic materials produced with little or no automation. Most of these products are produced by the Small and Medium Enterprises.

[1] observed that SMEs also play important role in the achievement of improvement in rural infrastructure and improved living standard of the rural dwellers thereby creating employment through utilization of indigenous technology, production of intermediate technology and increase in revenue base of private individuals and the government. Their study considered financing a key factor for SMEs to play these roles better in an economy.

[2] showed that SMEs productivity do have a positive effect on productivity of large firms and that the bigger the size of the SMEs sector in the economy, the more the impact on the productivity of large firms and thus the effect on the economy at large. Small and medium scale enterprises help to speed up the rate of social and economic development of many countries, particularly developing countries. They serve as the vehicle for attainment of national objectives in terms of employment generation at low investment cost and also the development of entrepreneurial capabilities and indigenous technology. This leads to reduction in the flow of people from rural area to urban area, hence, it is obvious that Small and Medium Scale Enterprises contribute substantially to the gross domestic product, export earning, and development opportunities of developing countries. After the attainment of independence much emphasis has been laid on growth of small and medium scale industries as a means of reducing the incidence of poverty and increasing employment in Nigeria.

In Nigeria, the contributions of Small and medium scale business as a creator of employment, in particular, those with low skill level, is widely recognized. In 2002, 98% of all businesses in the manufacturing sector were SMEs operating in the economy, providing 76% of the workforce and 48% of all industrial output in terms of value added [3]. In the agriculture and manufacturing sectors, SMEs employ more than 80% of the total workforce. In the last decade, an increase in employment generation by SMEs has exceeded the increase in their contribution to GDP, highlighting the employment creation potential of this sector of the economy [4].

The macroeconomic goals in every economy include promoting prosperity by generating wealth and reducing unemployment substantially. This objective can be realized by strengthening the existing SMEs for improved performance through the production of quality products in large quantities for the Nigerian populace. There is therefore the need to assess the productivity of SMEs operating in the economy.

Operational problems have arisen in the attempt to develop a formidable SMEs sector. In Nigeria, SMEs are managed mostly by their owners, family, and friends. The funding in

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most cases is normally provided by the owners. Most entrepreneurs always fail to realize the role of an external source of finance in order to expand the businesses. About 80% of small and medium enterprises in Nigeria collapsed because of this problem of poor financing and other problems associated with it [5], [6].

SMEs are used as instruments for reducing poverty problems affecting the country, improving the economy, and creating employment opportunities. Therefore, the need for SMEs growth in Nigeria cannot be overstressed. Financial System Strategy (FSS), a publication of the Central Bank of Nigeria, highlighted that 96% of Nigerian businesses are SMEs compared to 53% in the US and 65% in Europe. Studies in Nigeria suggest that they contribute about 10% of GDP compared to 40% in Asian countries and 50% in the US and Europe [7], [8].

The question as to why the SMEs in Nigeria are not contributing to the development of the economy as they should as obtained in other countries now arises. SMEs in Nigeria face several challenges. Amidst many other problems, policy and the current rising insecurity challenges have been identified as key hindrance to their growth. Furthermore, despite several government policies and programmes, productivity of SMEs has remained low. Can this be due to poor implementation of government policies and programmes? Quite a lot has been said about the state of insecurity in the country in terms of its disruptions of economic activities. What implication(s) has this on production, products distribution, development, and growth of SMEs in Nigeria? Some constraints to SMEs being discussed in the research arena (needing policy intervention based on research findings) include multiple taxation and insecurity among others. It cannot be overemphasized that the growth of SMEs in any economy can enhance socio-economic development. This calls for a closer look at factors that can enhance their productivity.

II. REVIEW OF LITERATURE

Empirically literature supports the role of SMEs in significant job creation mostly at the level of unskilled and semi-skilled workforce [9] Furthermore, studies have shown that a significant number of households gain financial inclusion by the reason of their participation in one form of SMEs activities or the other [10]. Developing economies, like Nigeria, are characterized by informality in the real sector. The registered SMEs are an insignificant proportion of the total SMEs in the economy. Studies have shown that SMEs account for about 80% of the labour force in Nigeria [11].

[12] studied the factors affecting SMEs internationalization process in southwest Nigeria following a multi-stage and purposive sample survey of 279 SME firms in Lagos state were analyzed with binary logistic regression and descriptive statistical methods. The study revealed that SMEs capacity to export in the Southwest Nigeria is more likely to be influenced by factors including: SME owners’/managers’ age group, level of education and previous exporting experience, along with firms’ attributes including business registration status, source of raw materials, access to bank loans, government incentive supports and collaboration with foreign partners. The study stressed, among others, the need for the government to support SMEs capacity building in the country so that they can contribute to the growth of the economy significantly.

[13] evaluated Small and Medium Scale Enterprises (SMEs) as a strategy for employment generation in Nigeria using selected manufacturing companies in Delta State of Nigeria. The study found among others that finance is a factor affecting the ability of SMEs to contribute to employment generation in Nigeria. This fits into the argument that SMEs have weak capital base which affect their scale of production and hence employment generation capacity.

[14] looked at the determinants of small and medium enterprises performance in Nigeria with particular focus on government policies and found that government support policies influence entrepreneurial orientation and contemporary marketing drive. It suggests that the various support given to the SMEs has a way of making them feel important in the economy and push for the marketing of their products to compete favourably in the marketplace.

[15] examined factors affecting the growth of micro business in Calabar, Cross river state, Nigeria based on cross sectional survey research design for selected 287 business owners from 4 areas in Calabar. They employed purposive sampling techniques and the result showed that Lack of microcredit and crime significantly affects the growth of micro business in Calabar and thus recommended that the government should improve on the metropolitan security architectural network to curb urban crime and insecurity.

The study by [16] on Factors Affecting Micro, Small and Medium Scale Enterprises Performance in Borno State was based on a survey of 84 Micro Small Medium Enterprises operators in Maiduguri. The results from the Exploratory Factor Analysis, Correlation and Multiple Regression Analysis show that insecurity and inadequate infrastructural facilities are the most significant factors affecting MSMEs performance in Borno state. This highlighted the need for concerted effort on the part of the government to provide better security for economic activities to thrive in the country.

[17] investigated the impact of science parks on small- and medium-sized enterprises’ productivity distributions in Taiwan and South Korea. The study Used estimates of firm-level total factor productivity to analyze the science park sorting and selection behavior of Taiwanese and South Korean SMEs and found heterogeneity in location choice of SMEs due to the economic environment of science parks. This suggests that science parks, (a kind of industrial cluster) can generate real productivity improvements if the incentives are reinforced through national-level policies; otherwise, such incentives may end up protecting inefficient firms.

III. METHODOLOGY

A. Sampling Techniques and Procedures

Multi-Stage Sampling Technique

A multistage sample procedure was used in this study. The sample procedure thus includes the following stages:

Stage 1 – Stratified sampling techniques, this involves the use of the already existing Nigeria’s geo-political zones as strata as thus a sampling unit for further selection.
Stage 2 – In this stage, the one state is selected randomly with the help of the random number table from the strata already identified in sampling stage 1 for a fair representation of each geo-political zone in particular and Nigeria in general.

Stage 1 & 2: States Selection, from the Nigeria Geo-Political Zones

| Geo-Political Zone | Stage 1 (Existing Strata) | State | Stage 2 (Selected states) | Sampled State |
|--------------------|---------------------------|-------|---------------------------|---------------|
| SW                 | Oyo                       | Lagos | Lagos                     |
| SE                 | Imo                       | Enugu | Imo                       |
| SS                 | Cross-River               | Rivers| Cross Rivers              |
| NE                 | Bauchi                    | Borno | Bauchi                    |
| NW                 | Kaduna                    | Sokoto| Kaduna                    |
| NC                 | Benue                     | Kogi  | Benue                     |

Source: Researchers Compilation, 2020.

Stage 3 a: Target Population

The target population size of the study in this context is the 22,538 entrepreneurs who are registered under Small and Medium Scale Enterprises (SMES) within the selected six (6) states of the geopolitical zones in Nigeria.

Stage 3 b: Sample Size

The sample size of this study consists of entrepreneurs who have established their businesses and registered with SMEDAN in the last two (2) years. The sample for this study consists of a minimum of 378 entrepreneurs using the [18] sample size determination formula.

Online link (https://bit.ly/3dg5roO) was sent to the research assistants in each of the states surveyed in each geopolitical zone, following up on the randomly selected SMES correctly filled out by the SMEs.

Online survey was designed in open and States Selection, from the Nigeria Geography https://bit.ly/3dg5roO - Data Collection On SMES Productivity, Items On the factors critical to the productivity of SMEs and its assistance returned all questionnaires ensuring that the SMEs do the right thing. The research assistants in each of the states surveyed in each geopolitical zone following up on the randomly selected SMEs.

Political Zone, following up on the randomly selected SMEs in each geo-political zone for data gathering in the study was questionnaire. The questionnaire was designed in open and close ended patterns and administered directly on the operators of the SMEs online. The data obtained from the field were analyzed inferentially, using the statistical package for social studies (SPSS). The amenable statistical analytical tools deployed was the multinomial logistic regression to draw inference from the survey data for policy suggestions.

C. Pilot Survey

Prior to the actual survey, the research instrument was tested on a pilot survey within the Federal Capital Territory (FCT) to test the validity and reliability of the instrument in achieving the set objectives of the study.

D. Psychometric Properties / validity of the Instrument

Validity is the extent to which an instrument can be relied upon to do what it purports to do accurately. It is the soundness and the effectiveness of a measuring tool. It is to ascertain the tool’s ability to measure what it claims to measure and nothing else. The tool was found to be valid with the pilot study results. The instrument was found to be reliable with a reliability coefficient of 0.740 with Cronbach’s alpha reliability statistics. The result indicates that Items on Entrepreneurs Employees Skills and Remuneration, Items to Investigate the effect Of Location On SMES Productivity, Items On The Impact of Multiple Tax On SMES Productivity In Nigeria, Effect Of Financing On SMES Productivity In Nigeria, Government/Institutional Support Policy And Items On The Impact Of Insecurity On The Productivity Of SMES in Nigeria scale yielded reliability statistics of 0.797, 0.766, 0.684, 0.804, 0.630 and 0.781 respectively, whereas the entire instrument yielded a reliability statistics of 0.740. The coefficients were considered high enough to conclude that the instrument is reliable and were considered suitable for the study.

E. Reliability of the Instrument

Reliability refers to the degree of internal consistency of a measuring instrument. According to [20], reliability is the consistency, accuracy, stability and trustworthiness of a measuring instrument or scores obtained. To establish the reliability of the instrument used in this study, the test-retest method of establishing the coefficient of stability of the instrument was adopted. The researcher administered the instrument twice to a sample of fifty and fifty (50) two occasions to some selected entrepreneurs in Abuja metropolis, who were not part of the target population within an interval of two days. This enabled the researcher to find the precision, consistency, and stability of the scores over different testing and time span. It also enabled the researcher to verify that the decisions made based on the instrument would be similar from time to time. This was in line with the views of Tomás, Miralles & Beseler (2007) who asserted that the test-retest coefficient of (0.891) supports the stability of the results of the research instrument over time in research studies.

B. Method of Data Collection

The study conducted an online survey to evaluate the factors critical to the productivity of SMEs and its implications on socio-economic development in Nigeria. The primary instrument used for data gathering in the study was questionnaire. The questionnaire was designed in open and close ended patterns and administered directly on the operators of the SMEs online. The data obtained from the field were analyzed inferentially, using the statistical package for social studies (SPSS). The amenable statistical analytical tools deployed was the multinomial logistic regression to draw inference from the survey data for policy suggestions.

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IV. MULTINOMIAL LOGISTIC REGRESSION ESTIMATES

Hypothesis 1: Multiplicity of tax has no impact on SMEs productivity in Nigeria.

The analysis showed that logistic regression was significant ($X^2 = 818.591^b$, $p<0.05$). This implies that multiplicity of tax as observed in (Hikes product price, Reduces Profit and Reduces sales) grossly influenced the SMEs productivity. The strength of logistic regression is represented by the Nagelkerke R Square which explains the amount of variation in the dependent variable and the independent variables. Nagelkerke R Square result revealed that 14.0% (0.140) of the variability in the impact of multiplicity of tax (Hikes product price, Reduces Profit and Reduces sales) influences the SMEs productivity. Hence, we can conclude that there is a significant relationship between the multiplicity of tax and the SMEs productivity.

Furthermore, the result of the overall percentage accuracy value of 72% exceeded the limit of 56.6% which implies that the logistic regression model was very useful in the explanation of multiplicity of tax and the SMEs productivity. The Wald statistics results provided an index of the significance of each predictor variable in the equation. Wald statistics has chi-square distribution which is significant at $p<0.05$. Therefore, any predictor variable that has $p$-value less than 0.05 is significant. Looking at the equation, it showed that only “Hikes product price” of the predictors significantly predicted SMEs productivity alone in the study area (p<0.05). The results showed that Hikes in product price has ($X^2=6.163$, $p<0.05$), while other predictor variables in the Wald statistics did not contribute significantly in influencing the SMEs productivity at ($p>0.05$). Reduces Profit ($X^2=0.036$, $p>0.05$) and Reduces sales ($X^2=1.327$, $p>0.05$).

The result of the overall percentage accuracy value of 69% which exceeded the limit of 56.6% implies that the logistic regression model was very useful in the explanation of impact of insecurity and the SMEs productivity. The Wald statistics results provided an index of the significance of each predictor variable in the equation. Therefore, any predictor variable that has $p$-value less than 0.05 is significant. Looking at the equation, it showed that none of the predictors significantly predicted SMEs productivity alone in the study area at the national level.

| TABLE 2: MODEL SUMMARY |
|-------------------------|
| State of enterprise/business | Step | -2 Log likelihood | Cox & Snell R Square | Nagelkerke R Square |
| National | 1 | 818.591$^b$ | 0.1 | 0.14 |
| Bauchi | 1 | 149.783$^b$ | 0.5 | 0.69 |
| Benue | 1 | 137.003$^b$ | 0.13 | 0.18 |
| Cross River | 1 | 119.733$^b$ | 0.05 | 0.08 |
| Imo | 1 | 122.554$^b$ | 0.22 | 0.3 |
| Kaduna | 1 | 109.337$^b$ | 0.23 | 0.21 |
| Lagos | 1 | 107.781$^b$ | 0.33 | 0.45 |

Hypothesis 2: Insecurity has no impact on the productivity of SMEs in Nigeria.

Analysis showed that logistic regression was significant ($X^2 = 823.450^a$, $p<0.05$). This implies that insecurity as observed in (Cut down on investment and cuts down manufacturing capacity and Reduces patronage) do not influence the SMEs productivity at a National level, however, the significant impact of insecurity is seen with the $p$-values of some states (Kaduna and Lagos) in other geopolitical zones. The result indicated that insecurity impacted on productivity in these states through cut down on investment, for Kaduna and through drop in manufacturing capacity for

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Lagos. The strength of logistic regression is represented by the Nagelkerke R Square which explains the amount of variation in the dependent variable and the independent variables. Nagelkerke R Square result revealed that 3.0% (0.030) of the variability in the impact of insecurity (Cut down on investment, cuts down manufacturing capacity and Reduces patronage) influence on the SMEs productivity, leaving about 97% of other factors unaccounted for. Hence, we can conclude that there is no significant relationship between the insecurity and the SMEs productivity at a national level.

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Hypothesis 3: Government policies and programmes have no impact on SMEs productivity in Nigeria.

Analysis showed that logistic regression was significant ($X^2 = 805.558^a$, $p>0.05$). This implies that Government policies and programmes as observed in the measurement variables do not influence the SMEs productivity in the surveyed States and by implication in Nigeria. The strength of logistic regression is represented by the Nagelkerke R Square which explains the amount of variation in the dependent variable and the independent variables.

### Table 4: Model Summary

| State of enterprise/business | Step -2 Log likelihood | Cox & Snell R Square | Nagelkerke R Square |
|-----------------------------|------------------------|----------------------|---------------------|
| National                    | 1                      | 823.450$^a$           | 0.02               | 0.03               |
| Bauchi                      | 1                      | 154.023$^b$           | 0.16               | 0.21               |
| Benue                       | 1                      | 132.519$^c$           | 0.56               | 0.75               |
| Cross River                 | 1                      | 119.193$^d$           | 0.1                | 0.15               |
| Imo                         | 1                      | 122.807$^e$           | 0.2                | 0.26               |
| Kaduna                      | 1                      | 114.950$^f$           | 0.14               | 0.26               |
| Lagos                       | 1                      | 103.480$^g$           | 0.81               | 0.11               |

a. Variable(s) entered on step 1: In what way does current insecurity in the country affect your business operations?

### Table 5: Variables in the Equation

| State of enterprise/business | B   | S.E. | Wald df | Sig | Exp(B) |
|-----------------------------|-----|------|---------|-----|--------|
| Cut down on investment      |     |      |         |     |        |
| Cuts down manufacturing     | -0.116 | 0.224 | 0.266   | 1   | 0.606  | 0.891 |
| capacity                    |     |      |         |     |        |
| Not at all                  | 0.005 | 0.214 | 0         | 1   | 0.982  | 1.005 |
| Reduces patronage           | -0.365 | 0.34  | 1.156   | 1   | 0.282  | 0.694 |
| Constant                    | 0.211 | 0.11  | 3.665   | 1   | 0.056  | 1.235 |
| Cut down on investment      |     |      |         |     |        |
| Cuts down manufacturing     | -0.443 | 0.517 | 0.733   | 1   | 0.392  | 0.642 |
| capacity                    |     |      |         |     |        |
| Not at all                  | -0.086 | 0.474 | 0.033   | 1   | 0.856  | 0.918 |
| Reduces patronage           | 1.138 | 1.251 | 0.827   | 1   | 0.363  | 3.12 |
| Constant                    | -0.445 | 0.256 | 3.013   | 1   | 0.083  | 0.641 |
| Cut down on investment      |     |      |         |     |        |
| Cuts down manufacturing     | 0.783 | 0.676 | 1.34    | 1   | 0.247  | 2.188 |
| capacity                    |     |      |         |     |        |
| Not at all                  | -1.386 | 0.815 | 2.893   | 1   | 0.089  | 0.25 |
| Reduces patronage           | 0.09  | 0.576 | 0.024   | 1   | 0.876  | 1.094 |
| Constant                    | -0.223 | 0.254 | 0.775   | 1   | 0.379  | 0.8  |
| Cut down on investment      |     |      |         |     |        |
| Cuts down manufacturing     | 0.064 | 0.627 | 0.01    | 1   | 0.919  | 1.066 |
| capacity                    |     |      |         |     |        |
| Not at all                  | 0.964 | 1.092 | 0.78    | 1   | 0.377  | 2.623 |
| Reduces patronage           | -0.422 | 1.252 | 0.114   | 1   | 0.736  | 0.656 |
| Constant                    | 1.115 | 0.258 | 18.73   | 1   | 0.000  | 3.05 |
| Cut down on investment      |     |      |         |     |        |
| Cuts down manufacturing     | 0.04  | 0.532 | 0.006   | 1   | 0.94   | 1.041 |
| capacity                    |     |      |         |     |        |
| Not at all                  | -0.285 | 0.242 | 1       | 0   | 0.623  | 0.767 |
| Reduces patronage           | 21.363 | 40192.97 | 0       | 1   | 0.212  | 2.19 |
| Constant                    | 0.16  | 0.284 | 0.319   | 1   | 0.572  | 1.174 |
| Cut down on investment      |     |      |         |     |        |
| Cuts down manufacturing     | 0.784 | 0.628 | 1.558   | 1   | 0.212  | 2.19 |
| capacity                    |     |      |         |     |        |
| Not at all                  | 1.938 | 0.535 | 13.125  | 1   | 0.000  | 6.948 |
| Reduces patronage           | 0.14  | 0.812 | 0.03    | 1   | 0.863  | 1.15 |
| Constant                    | -0.651 | 0.356 | 3.338   | 1   | 0.068  | 0.522 |
| Cut down on investment      |     |      |         |     |        |
| Cuts down manufacturing     | -1.237 | 0.605 | 4.184   | 1   | 0.041  | 0.29 |
| capacity                    |     |      |         |     |        |
| Not at all                  | -1.119 | 0.616 | 3.3     | 1   | 0.069  | 0.327 |
| Reduces patronage           | -1.46  | 0.77  | 3.592   | 1   | 0.058  | 0.232 |
| Constant                    | 1.237 | 0.379 | 10.669  | 1   | 0.001  | 3.444 |

**a.** Variable(s) entered on step 1: In what way does current insecurity in the country affect your business operations?
Nagelkerke R Square result revealed 42.0% (0.420) of the variability in the impact of government policies and programmes and the SMEs productivity. Hence, we can conclude that there is no significant relationship between the current government policies programmes and the SMEs productivity as perceived on national bases.

The results in the model summary showed that the predictors used to predict the government policies programmes and their various effects on the SMEs productivity. Result of the overall percentage accuracy value of 58.1% exceeded the limit of 56.6% which implies that the logistic regression model was very useful in the explanation of government policies and programmes and the SMEs productivity. The Wald statistics results provided an index of

| State of enterprise/business | Step | -2 Log likelihood | Cox & Snell R Square | Nagelkerke R Square |
|-----------------------------|------|-------------------|----------------------|---------------------|
| National                    | 1    | 805.559a          | 0.32                 | 0.42                |
| Bauchi                      | 1    | 144.973b          | 0.88                 | 0.2                 |
| Benue                       | 1    | 133.358b          | 0.48                 | 0.65                |
| Cross River                 | 1    | 111.899c          | 0.74                 | 0.11                |
| Imo                         | 1    | 121.951c          | 0.29                 | 0.39                |
| Kaduna                      | 1    | 129.060c          | 0.19                 | 0.25                |
| Lagos                       | 1    | 104.706c          | 0.68                 | 0.93                |

The results in the model summary showed that the predictors used to predict the government policies programmes and their various effects on the SMEs productivity. Result of the overall percentage accuracy value

| TABLE 6: MODEL SUMMARY |
|------------------------|

| TABLE 7: VARIABLES IN THE EQUATION |
|-----------------------------------|
| State of enterprise/business | B     | S.E. | Wald | df | Sig. | Exp(B) |
|---------------------------------|-------|------|------|----|------|--------|
| By training the SMEs in improving their businesses | 8.45  | 10   | 0.585 | |
| Capacity building and funding | 42.406 | 56841.61 | 0 | 1 | 0.999 | 26 |
| Capacity building Training | 0 | 56841.61 | 0 | 1 | 1 | 1 |
| Funding | 21.63 | 40193.206 | 0 | 1 | 1 | 16 |
| Lecture talk | 21.203 | 40193.206 | 0 | 1 | 1 | 16 |
| Link to Market | 0 | 56841.61 | 0 | 1 | 1 | 1 |
| National Step 1a | | | | | | |
| None | 20.104 | 40193.206 | 0 | 1 | 1 | 1 |
| Personal | 21.316 | 40193.206 | 0 | 1 | 1 | 18 |
| Productivity improvement strategy | 0 | 56841.61 | 0 | 1 | 1 | 1 |
| Reading of flyers | 42.406 | 56841.61 | 0 | 1 | 0.999 | 26 |
| Workshop and training organize by NDE with productivity improvement strategy lecture from NPC | 42.406 | 56841.61 | 0 | 1 | 0.999 | 26 |
| Constant | -21.203 | 40193.206 | 0 | 1 | 1 | 6 |
| Capacity building and funding | 5.505 | 5 | 0.357 | |
| Capacity building Training | 42.406 | 56839.557 | 0 | 1 | 0.999 | 3 |
| Funding | -21.203 | 40190.302 | 0 | 1 | 1 | 6 |
| Link to Market | -22.743 | 40190.302 | 0 | 1 | 1 | 1 |
| None | -42.406 | 49223.955 | 0 | 1 | 0.999 | 3 |
| Reading of flyers | -21.842 | 40190.302 | 0 | 1 | 1 | 3 |
| Constant | 21.203 | 40190.302 | 0 | 1 | 1 | 16 |
| Benue Step 1a | | | | | | |
| Capacity building Training | 0.276 | 0 | 0.991 | |
| Funding | 21.203 | 40193.972 | 0 | 1 | 1 | 16 |
| Link to Market | 21.203 | 40193.972 | 0 | 1 | 1 | 16 |
| None | 0 | 46411.711 | 0 | 1 | 1 | 1 |
| Personal | 20.955 | 40193.972 | 0 | 1 | 1 | 12 |
| Constant | -21.203 | 40193.972 | 0 | 1 | 1 | 6 |
| Cross River Step 1a | | | | | | |
| Capacity building Training | 1.929 | 5 | 0.859 | |
| Funding | 22.868 | 40192.386 | 0 | 1 | 1 | 85 |
| Lecture talk | 22.407 | 40192.386 | 0 | 1 | 1 | 53 |
| None | 0 | 56841.03 | 0 | 1 | 1 | 0 |
| Productivity improvement strategy | 22.147 | 40192.386 | 0 | 1 | 1 | 41 |
| Workshop and training organize by NDE with productivity improvement strategy lecture from NPC | 42.406 | 56841.03 | 0 | 1 | 0.999 | 26 |
| Constant | -21.203 | 40192.386 | 0 | 1 | 1 | 6 |
| Imo Step 1a | | | | | | |
| Capacity building Training | -0.164 | 0.559 | 0.087 | 1 | 0.769 | 0 |
| Funding | 20.952 | 40192.972 | 0 | 1 | 1 | 12 |
| Link to Market | -1.35 | 1.26 | 1.148 | 1 | 0.284 | 0 |
| None | 0.251 | 0.504 | 0.249 | 1 | 0.618 | 1 |
| By training the SMEs in improving their businesses | | | | | | |
| Capacity building Training | 0.555 | 4 | 0.968 | |
| Funding | 21.1 | 40192.972 | 0 | 1 | 1 | 14 |
| Link to Market | 0.408 | 0.765 | 0.285 | 1 | 0.593 | 1 |
| None | 0.59 | 1.246 | 0.225 | 1 | 0.635 | 1 |
| Constant | 0.303 | 0.941 | 0.104 | 1 | 0.748 | 1 |
| Kaduna Step 1a | | | | | | |
| Capacity building Training | 0.103 | 0.227 | 0.205 | 1 | 0.651 | 1 |
| Funding | 0.068 | 0.068 | 1 | 0.794 | 1 |
| Link to Market | 20.667 | 28420.722 | 0 | 1 | 0.999 | 29 |
| None | -21.738 | 28420.722 | 0 | 1 | 0.999 | 3 |
| Constant | 0.536 | 0.257 | 4.341 | 1 | 0.037 | 1 |

a. Variable(s) entered on step 1: In what ways have you benefited from the activities of the above-mentioned Agencies?
the significance of each predictor variable in the equation. Wald statistics has chi-square distribution which is significant at $p<0.05$. Therefore, any predictor variable that has $p$-value less than 0.05 is significant. Looking at the equation, it showed that none of the existing Government policies and programmes have any significant impact on the SMEs productivity in the study area ($p>0.05$). All the Wald statistics for each of the programmes did not contribute significantly in influencing the SMEs productivity in the country and in the surveyed states.

V. DISCUSSION OF RESULTS

This study was embarked upon to examine the determinants of SMEs productivity in Nigeria. The study interest is based on the need for the Nigerian economy to explore opportunities for sustainable economic growth and its attendant benefits by way of job creation, poverty reduction and development on the long run among others. SMEs are regarded as engines of growth for any economy. However, it has been observed that a number of factors serve to limit the opportunities in the SMEs sub-sectors. One of the objectives of the study is to examine the impact of multiple tax on SMEs productivity in Nigeria.

First, and as expected, the result from this study showed that multiple taxes significantly impact SMEs productivity in the country as it pushes up the cost of production for the SMEs and results in a hike in the prices of their goods and services. The strength of logistic regression is represented by the Nagelkerke R Square. Accordingly, it showed that 14.0% of the variability in SMEs productivity can be traced to multiplicity of tax in the country. In addition, the overall percentage accuracy value of 72% exceeded the limit of 56.6% which implies that the logistic regression model was very useful in explaining the link between multiplicity of tax and SMEs productivity. The results showed that Hikes in product price has ($X^2=6.163$, $p<0.05$), while other predictor variables did not contribute significantly in influencing the SMEs productivity.

Secondly, the logistic regression for insecurity on SMEs productivity had ($X^2 = 823.450$, $p>0.05$). This means that insecurity does not influence the SMEs productivity from the country wide perspective. However, the $p$-values ($p = 0.003$ and $p = 0.04$) for drop in investment, manufacturing capacity in Kaduna and Lagos respectively had a significant effect on SMEs productivity.

Third, the logistic regression of government policy variables on SMEs productivity had ($X^2 = 805.558$, $p>0.05$) meaning that Government policies and programmes do not influence the SMEs productivity in the surveyed States and by implication in Nigeria. The strength of logistic regression is represented by the Nagelkerke R. It indicated that 42% of the variability in SMEs productivity can be explained by Government policies and programmes. The overall percentage accuracy value of 58.1% exceeded the limit of 56.6% which implies that the logistic regression model was very useful in the explanation of government policies and programmes and the SMEs productivity. Wald statistics has chi-square distribution which is significant if $p<0.05$. Looking at the equation, it showed that none of the existing Government policies and programmes have any significant impact on the SMEs productivity in the study area. The result from this study contradicts the findings of [14] in respect of government policy impact on SMEs but corroborates the findings of [15] in respect of insecurity.

VI. CONCLUSION

Generally, business activities are responsive to government policies and security situations in an economy. This study found multiple taxation (a policy of the government) to be a significant factor for SMEs productivity in Nigeria, particularly as it affects cost of production for SMEs and thus hike in the prices of their goods and services. Government programmes put in place for SMEs support had not been effective enough in promoting SMEs productivity in the country. Insecurity was not found to have impeded SMEs productivity in Nigeria as a whole though it affected the activities of SMEs in Kaduna and Lagos in particular. Thus it is recommended that the Government and its relevant agencies need to harmonise the numerous taxes and take steps to encourage SMEs at their infancy stage by way of tax exemptions. This will lower the cost of production for them and make their goods and services price competitive in the market. The insecurity situation in the country seems to be localized to some states, and the productivity and growth of SMEs in those states are certainly being impacted negatively as in the case of Kaduna in this study. It is thus necessary for the government and its relevant agencies to mitigate the tide of insecurity in the affected states or geopolitical zones. If the SMEs are clustered, adequate security cover can be provided for them to continue their production activities. In addition, the various government policies and programmes need to be synergised for positive impact on the SMEs. Government agencies responsible for implementing SMEs policies need to come up with better ideas on how to implement current government policies for the growth of SMEs in the country.

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