

Acquisition of Micro-Finance Loans and Employment Generation via Small & Medium Scale Enterprises in Ekiti State, Nigeria.

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Abstract

The controlling expectancy of developing countries among sister's nation is to put energies and approaches unruffled for the resolve of accomplishing speedy economic growth and development which serve as the substratum of improving workable worthwhile life. Economic affluence of any government pivots on the practicality of Small and Medium-Scale Enterprises. There is a high dependency on the population of any Nation for economic growth and development, out of which the youth remain uniting point. This informs the reason why the youths in any economy that seeks rapid growth and development, have to be productively employed. The drive of Entrepreneurial spirit is of pragmatism in the lives and living of the youths. This indeed stands the chance to improve the standard of living and consequently reduce poverty. This work cross-examines loans acquisition and employment generation through SMEs in Ekiti State. A total of one hundred and Sixty (160) copies of questionnaires were administered across Ekiti State to identify the trend pattern and relationship between Micro finance loans accusation of Micro finance institution (MFI's) and employment generation through SMEs. The study found that there are close relationship between promoters of SME's via micro finance loans and employment generation Ekiti state. To this end, this research work recommended that adequate attention be paid to employment generation activities through the aid of loans from MFI's, irrespective of the economic ideology in Ekiti State and the nation as a whole.

Keywords: *Employment Generation, Small and Medium Scale Enterprises (SME), Loans, Economic Development, Economic Growth.*

Introduction

Presently, there is seemingly a treaty among state policy manufacturer and development economists as partners of international development with respect to small and medium scale enterprises (SME's) square measure as Centre of economic development and growth in developing and transition economies. Out of the eight millennium development goal of eradicating poverty, micro-enterprises are veritable tools in achieving the overall objective goals. Poverty is no doubt an offshoot of inadequate incomes, and this is a result of unemployment (Owualah, 1999b).

Severance and outright extinction of poverty in economies where micro-enterprises thrives attest to its indispensability to any economic that seeks all round economic growth and development. This is true of

Asia whereas in sub-Saharan continent, a lot of individuals have undone deep into poverty. Take for instance, India illustrates a model of bottom-up, demand driven, grass root led economy while she relies on aboriginal entrepreneurial feat as against dependence on foreign direct investment. This is as a result of her release of her release of incentive entrepreneurial energies, and today economic boom is arguably quickest in the region. Put tersely, India has fantastic raw potential for prime economic process through her young population (Turnham, 1997).

The Federal Republic of Nigeria is closely related to India in this regard, in that; she is also blessed with a young spirited population. This can only come to reality however, when the expedient condiments measures are put in place to implicitly promote entrepreneurship. Today, youth entrepreneurship has gathered momentum to a reasonable extent, ever than before, considering the level of youth's state scenario in the nation cannot be over emphasized. Evidences abound in the nation with youth restiveness in the Niger-Delta region and pack clashes in metropolis and alternative cities square measure, mostly the bye product of state. If gainfully employed, youths would distance themselves from incessant juvenile delinquencies, crimes of any degree and political thurgery of any type that is witnessed throughout the nation's emergent democratic expertise. Turnham (1997) in his study cautions that the difficulty of employment should be attended to, to the highest level of policy agenda, so as to have a complete shift from the opinion of Shinder (1997) who describes it as a "waiting time bomb". The effectiveness of victimization the promotion of SME's to tackle state is standard (Owualah 1999a). What is more, Owualah and Obokoh (2007) square measure of the opinion that resides within the enterprise in instructional establishments with the Niger-Delta region of the Federal Republic of Nigeria might give a development from awareness raising, aspirational to trend-on activities in order to boost skills in Entrepreneurship which culminate in the desire to actualize business strategy in the youth of the region. In this context, it seemingly impossible to achieve the Nigeria's goal of being among the first twenty economies in the world by year 2020 with the spate of disorderliness in her socio-economic policies. An attempt is made in this research to review the contribution of SME's to employment generation which is paramount to overall development goal of the Nation. In the same vein, it delves an attempt into examination of the imperativeness of the SME's in achieving the corporate objective of vision 2020.

Statement of the Problem

The economic process in Nigeria is a phenomenal issue to the entire National Policy making arm of the government. The employment generation through small & medium scale enterprises and micro-finance loans acquisition in Ekiti State is at variance with expected outcome and not adequately articulated. The spate of unimpeded crimes in Nigeria is a colossal bane of her economic growth and development. To make things worse, these crimes are genuinely traceable to the vast array of youths in the Nigerian population. More importantly, and of course in this respect, is the dwindling economic process and development occasioned by the depleted specific variation economic activities that are resident in individuals to have interaction in entrepreneurship with the kind of small and medium scale enterprises. This in the long run, may not translate to enhance economic process and development.

Objectives of the Study

This research work determined whether adequately funded small-scale enterprises have significantly led to employment generation in Ekiti State.

Scope of the Study

The main thrust of this study were basically on the impact of Small and Medium Scale Enterprises on the employment generation in Ekiti State with a critical look at towns that have micro-finance institutions in all the sixteen (16) Local Government Areas in the State. Efforts were be made to explore the roles of SME's on National Development in Nigeria, issues of SME's in Nigeria as well as its history among others.

Contextual Discuss

History of Small and Medium Scale Enterprises

This study reviewed extensively the idea of small and medium scale enterprises as viewed by the various authors who took keen interest in the subject. Some of the areas that were visited include characteristics of Small and Medium Scale Enterprises, history of the subject both locally and globally, relevance of it to economic growth and development forms of Small and Medium Scale Enterprises among others.

By 1990, Business Enterprise society, self-employment statistics took a dramatic tide of development, when USA took holistic steps away from Agriculture dominated economy by year 1900, eight percent of work force was self-used, whereas twenty percent worked for different companies. In the recent times, twenty percent of staff members are unit freelance, while thirty percent work for different companies and business. From the foregoing, it is reasonable to say that, there are few small companies in the country. This claim is exceptionally true in that, small companies are as fashionable as ever. At a point, farming, as a means of employment got declined as a result of the rise of formidable firm employment. This shift stood as the bedrock of government's stern interest in business. In the meantime, the activities of business cycle started taking it toil on people who dependent on grant firm payroll. This indeed led to dependence on staff protection, such as social security, medical care and the compulsory workers' compensation insurance, state insurance and other measures aimed at combating economic dimensions and stale. This shift has also presented additional creation of necessities for the small-scale firm Entrepreneurs to own a stronger ground in management. Initially, the focus of both developed and developing countries was to eradicate poverty through floating of huge enterprises that is supported by standard economy of scale. This view hinges on the fact that, "big gets bigger" while "small get smaller". It was conceived erroneously that small scale enterprises cannot be a match for an idea economic, with growth and development in view. In common parlance, it was opined that small scale enterprises is synonymous with backwardness. Surprisingly, however, most companies that started small eventually became big business enterprises. Meanwhile, some international firms, such as Philips International of Netherland, Sony of Japan e.t.c as privately owned business ventures.

There are also indigenous enterprises like J & B Ventures, Omolayo Printing Press, Arowolo Enterprise and Fakehinde Cements & Block Industries and many more ventures in Ekiti State and the nation at large who went down as a result of commercialism. Dayon Investment and Eleganza are also on the list of restricted Enterprise Companies in Nigeria. In that, the rose of Dangote cluster of Corporations and Dantata cluster of companies that started as prime movers of trades and imports brought set back to their operations. Udhe (1999) posited that the best life cycle of small and medium scale enterprises can be divided into four phases as: pop-out, accelerated growth, stable growth and maturity start up typically last for an amount of 100 to 3years throughout the supervision of the founder of the business activities which will be disbursed by relations, friends or little range employees. The section of accelerated growth usually lasts 3 to 4 years. The founder or teams of managers-management handles the management. As a result,

there is rapid organizational development occasion by the separation of possession from the management. The stable growth section, on its own usually has a period of 2 to 5 years. Management experience and company organization area unit are divided into various department, and inflow of stable, long working capital from company investors reach a higher level, during this time. Lastly, majority of the section which will begin once many years of starting within the business adopts identical style of management as stable growth section. Nevertheless, there is a major difference in the area of funding of these seemingly similar sections.

Strategic Importance of SME's

Some research scholars have argued that several assured advantages of small companies could also be “myth” instead of reality, despite the preceding strategic blessings of SMEs.

- i. **Employment:** Small Enterprises and Small-Scale Enterprises accounts for bulk of companies and an oversized share of the use, in developing economies. There exists a wide range of difference across stages of development overtime, in relation to the importance of small business. A comparative study of producing companies by Snodgrass and Briggs (1996) explains common pattern within the transformation of the scale distribution of companies as industrialization by terminal that small-scale enterprises play a declining role as Countries develop.
- ii. **Labour Intensity:** Small firm use an oversized share of the labour force in many developing economies. SME's area are not regarded as additional labour intensive than giant companies, on the contrary, many SME'S area unit are critically additional capital intensive (Little, Mazxumber and Page, 1987). The degree of labour strength shows across industries, rather than among firm sized teams among industries. Snodgrass and Biggs (1996).
- iii. **Job Creation:** There exists the argument as to the vitality of SME's area unit to employment growth. Yes, job creation unit area, though have not been supported by any empirical evidences, substantially higher for small companies, as well as are unit gross destruction rates. SMEs exhibit high birth rates and high death rates and lot of small companies' fail to grow (Davis, Haltiwanger, Schuh, 1993).
- iv. **Efficiency:** Evidence is replete in studies that most developing economies show that the small company's area units are comparatively inefficient as compares to medium-scale companies (Little, Mazxumber and Page, 1987). More often than not, it is argued that SMEs area unit additional innovative rather than larger companies most likely tends to the adoption of “niche” strategies' like high product quality, flexibility and responsibility to clients' needs as suggests that of competitive with large-scale businesses (Snodgrass and Biggs, 1996). On the other hand, Acs, Morck and Young (1999) explained that these innovation take as much longer time, in which, larger companies might likely record additional input in order to adopt and implement them.
- v. **Wages and Benefits:** There is basically some proofs that there is possibility of inequality which invariably narrows as manufacturer payoff, although, analysis proof suggest that the larger employers supply higher jobs in terms of operating conditions than SMEs (David Haltiwanger and Schuh, 1993).
- vi. **Social, Political and Equity Justifications:** SMEs area is a contributor to additional equal distribution of financial gain or wealth. On the whole, SMEs promotion might not be a trailblazer in poverty alleviation, but there is the need for agreement to present a common ground for SMEs to thrive on both social, political and most importantly, economic terrain.

The argument for SMEs promotion on the ground of job creation method of SMEs or of their bigger efficiency and growth is supported by varying empirical proofs, creating it troublesome to be justified. It

is in the best of interest of mostly developing economies to create an enabling environment for SMEs to thrive, so as bring about competitiveness of giant companies, thereby creating ground for employment as a means of poverty alleviation (Little, Mazxumbar and Page, 1987). The argument as to the role of Small and Medium Scale Enterprises in curbing unemployment in economies has been within priority for years and this has brought togetherness of many students on their research topic. On this basis however, it becomes imperative to review past analytical studies. A survey of Small and Medium Scale Enterprises was conducted by Lawal (2011) with a view to accessing strategic roles of SMEs in the economic development. Information from this study was generated from each primary and secondary source through the utilization of self-administered questionnaires and structured interviews. Many records of some participating SMEs were undertaken to get secondary information. A total population of 670 was used among the sampling techniques that were used to select 1,000 SMEs. It was based on this, that analytical instrument were administered.

Before the study, the result of the analysis conducted shows that international SMEs contribution is of strategic importance. In plane language, SMEs with international presence area unit are stronger and perform higher than those in the domestic area unit, thereby creating the previous to be better strategic importance to development than the later. Similarly, on this part, Okpetu (2002) disbursed the study with key SMEs with a view to pointing out impact of SMEs on the development of giant companies all over the World. In it, a cross sectional survey of small and medium enterprises was adopted in his research. The first information was sorted through self-administered forms and completed with content analysis of some printed reports on small and medium enterprises. Two hundred entrepreneurs were selected across different industries for the study.

The choice of industries and choice of samples were supported accidental sampling methodology, the respondent were small and medium enterprises operators while an agency volunteered to respond to the forms presented. The sampling methodology was accepted courtesy of lack of comprehensive information on the population of the small and medium enterprises operative in his chosen city. Self-administered form that was divided into two sections was the main instrument used. Section borders on queries on success factors. Options were provided for the respondent as follows: Critically vital coded, five points important coded 4 points vital coded three points somewhat vital coded two points and least vital coded 1 point. The section B of the form demands the background information of Entrepreneur and the organization. However, descriptive statistics like mean, mode, median and variance were used in analyzing the responses of participating respondent in order to forestall trial by error answers. Complete and meaningful information were obtained from 195, out of 2000 companies and entrepreneurs that participated. This study finds out that a larger percentage of Nigerian employable population (that is 20-49 years) is seeking for self-employment. This cohort constitutes accountable men UN agency have attended higher establishments through this study that further shows that entrepreneurs up-coming technology stands for corrective measure vis-a-vis financial survival of Nigerian Small and Medium Enterprises. Surrounding technology may be reckoned with in modern business. Absence of analysis and on ability to trendy technique thereby ensuing into low productivity is tantamount to lack of technology. To this end therefore, it is right to say that a viable technological awareness is the bedrock of the growth of Nigerian small and medium enterprises. The place of finance on small and medium enterprise development remains unrivaled.

Government over the years, have seen to different funding arrangements at the small level to help small and medium entrepreneurs. No doubt, Nigeria is grossly blessed, and of course, with natural, human and material resources which gives her the potentials to emerge as a country with spirited industrial sector, in

both small and medium enterprises. In the technological and industrial development of any country cannot be overemphasized and this is the standpoint that justifies the better attention that the sector desires and demands. The source of inspiration behind the growth of developed countries of the world cannot be divided from their deliberate attention to small and medium enterprises.

Many administration of Nigeria have come up with different policies geared towards stimulating sustaining and supporting entrepreneurship and all-round development in small and medium enterprises. If any of this policy had worked or would work technology, money management and availability of labour force are key factors. All these factors lend credence to the fact that creation of facultative surroundings and effect management can assist within the growth and development of small and medium enterprise. A close comparison of Lawal (2011) and Okpetu (2002) shows that no matter the character of their ideology, key success factors, like correct coming up with good money management technology, improve employee productivity area unit are relevant to the success of the organization, both domestically and internationally. Similarly, Ojudu (2005) conducted a study on SME's as a properly developed strategy in Nigeria with which sampling techniques was used with 100 respondent out of a complete population of 350 SMEs Mushin Local Council development space of the state. It had been discovered however, with the adoption of form and interview as analysis instrument that majority of the respondents, sees their business (SMEs) as the way out of endless state impoverishments. SME is a veritable strategy in combating under development that is occasioned by the menace of state with attendance plight related to it. As gathered on this study, SMEs have gathered imperative issues to guarantee property growth and development in an economy that witness incessant social political unrest caused generally by the state. It is sad to note however, that SME's may not record speedy development to the tempo of going international, if implicit success factors like technology application, correct camp up with adequate finance, smart infrastructure among others are not provided as and when due Okpetu (2002)

SMEs and Economic Development

The Federating State of Nigeria has witness alarming rate of crimes occasioned generally by poverty and joblessness. The decreasing human development indicator however similarly as low level of all sector of the economy represent troubling indices and additionally was adduce to decimal performance of Nigeria, with much actualization of the millennium development goals (MDGs) is a function of how the three tiers of government in the federation mutually pursue the asset of SME'S sub sectors. Account for a formidable sub sector of SME, the attainment of vision 2020 millennium development goals in seems a white elephant project. Fagge (2004) stated that the global bank and also the International Labor Organization determined the role and trend of state in Federal Republic of Nigeria. Over the years commercial activities have collapsed coupled with poor performance of the agricultural sectors and this has created a gulf in the state affairs. A sudden rose in the revenue of the nation occasioned by the discovery of crude oil became the greatest undoing of the nation in that, there was a complete shift from agriculture to oil exploration, and that has negatively affected the sector. A survey made available by national poverty eradication programme (NAPED) shows that national state figures in federal republic of Nigeria is seventh out of one million and one ten thousand graduates produce by 149 tertiary establishments within 1996/1997 academic year. Only one hundred thousand which represent 10% were ready to secure former job as against the other 19% who were left at the mercy of the labor market (Fagge, 2004).

Corruption has been identified by development analyst and specialist as a cancer on the growth and development of small and medium enterprises. In this connection, it believes the SMEs sub sector to rise to the challenge of bringing vitality to the scheme. SMEs remain the veritable tool for transformation of

Nigeria economy. There is the holistic need for total revamping of SMEs sub sectors in other to guarantee the actualization of it lofty objectives. This is but one way, out of many that are needed, if government will be certain of realizing the objectives of the well-intended economic reforms and move the economy forward for the overall advancement of all stakeholders, out of which the poor masses are one. Operation of small and medium scale businesses. In his word, Lawal (2002) state that there is no generally acceptable definition of small scale enterprise. It changes overtime attributable to changes in indicator, advances on technology and different considerations. The criteria used in its definition are proportionally related to its adherents. To this end, the definition of a layman on small scale enterprise would be relatively different. Before 1992, there had been various definition of SMEs as adopted by different constitutions together with Central Bank of Nigeria (CBN), NBCI, NERFUND, Centre for Industrial study Analysis and Development (CIRD), National Business Centre for Management and Development (CMD), etc. the National Council of Business Institute (NCI), in 1992 streamed the definition of commercial enterprises for recurrent review every four years.

Methodology and Discussion of Findings

Sample survey analysis design was adopted within the course of the study since it's comparatively impossible to check all the weather that created up the Unemployed population of youths residing in each Local Government Area of Ekiti State. Sampling design and Procedure Since it's much not possible to check all the jobless youths and small and medium manufacturing and services enterprise home owners within space of Ekiti State, the man of science adopted sampling technique to pick out samples adopted for this study. A complete range of 250 samples were chosen for this study. In different words, a hundred and sixty small and medium scale enterprises consisting of each producing and services businesses and a hundred and sixty questionnaires were administrated to them thus on solicit the required information. The SMEs chosen for this study were printing businesses, food vendors and restaurants, business centers, printing materials Centers with employment capability starting from 2-10 staff and unfold across the Streets in the different towns and villages among others within the land coverage of the Ekiti State.

S/N	Selected SME's /Owners	Sample Population	Study Area
1.	Printing businesses	30	EKITI STATE
2.	Food vendors and Restaurants	30	
3.	Business Centers	30	
4.	Printing Materials Centers	30	
5.	Rental/Catering Services	10	
6.	Soft Drinks Vendors	10	
7.	Laundry/Dry Cleaning Services	10	
8.	Car wash/Lubricating Centers	10	
	Total	160	

Research Instrument

Questionnaires were used in collecting data from the respondents. The questionnaire information contained list of possible items relating to accessibility of micro-financing towards poverty alleviation. The descriptive statistical analytical method was used in this study. However, constructive 4 points likert-scaled closed-ended structured questionnaire with option of (disagree, strongly disagree, agree and strongly agree) and direct administration in all/parts.

Analysis of Respondents' Demographic Variables.

The section deals with the analysis of respondents' demographic and socio-economic characteristics.

Age distribution

	Frequency	Percentage	Cumulative Percentage
Not more than 30	42	26.3	26.3
31-40	59	36.9	63.1
41-50	44	27.5	90.6
51 and above	15	9.4	100.0
Total	160	100.0	

Source: Field Survey, 2019

The above table shows that 26.3 percent of the total samples are below 31 years, 36.9 percent are between 31-40 years, 27.5 percent are between 41-50 years while 9.49 percent are 51 years and above. However, the highest numbers of respondents are between the active age adulthood with 36.9 percent.

Educational Level

	Frequency	Percentage	Cumulative Percentage
University Degree	54	33.8	33.8
Polytechnic/College Graduate	68	42.5	76.3
Technical School	19	11.9	88.2
Primary School Leaver	13	8.1	96.3
Others	6	3.8	100.0
Total	160	100.0	

Source: Field Survey, 2019.

The table above shows that 33.8 percent of the samples are University graduates, 42.5 percent Polytechnic/College graduates, 11.9 percent Technical School certificate holders, 8.1 percent Primary School Leavers and 3.8 percent holders of other qualifications.

However, the percentage of educated respondents is high because Ekiti State is one of the educational advantages State of the Country.

Question 1

What are source of finance for Small-Scale Enterprises and its effect on employment generation?

Table 1.1: Descriptive Analysis showing sources of finance for Small-Scale Industries and its effect on employment generation.

SN	ITEMS	SA	A	SD	D
1.	Most Small-Scale industries are financed by MFIs in State	29	75	15	41
		(18.1)	(46.9)	(9.4)	(25.6)

2.	Virtually all the small scale industries are financed by MFIs.	22 (13.8)	60 (37.5)	23 (14.4)	55 (34.4)
3.	Laudable employment generation programme has preference over others when sourcing for loans from MFIs.	31 (19.4)	58 (36.3)	17 (10.6)	54 (33.8)
4.	Many liquidated/about to be liquidated Small-Scale industries find succor in the MFIs for fund raising.	25 (15.6)	79 (49.4)	21 (13.1)	35 (26.9)
5.	The understanding of unemployed youth about sourcing loans to finance cottage industries is high.	27 (16.9)	76 (47.5)	14 (8.8)	43 (26.9)

Source: Field Survey, 2019.

Table 1.1 above shows that 65 percent of the total sample agree that most Small-Scale industries are financed by MFIs in their State while 35 percent disagree, 51.3 percent adjudge that virtually all the poverty alleviation programmes are financed by MFIs, 55.7 percent agree that laudable poverty alleviation programme have preference over others when sourcing for loans from MFIs, 65 percent agree that many Small-Scale industries that are the verge of liquidation find succor in the MFIs for fund raising, 64.4 percent agree that the understanding of needy (Active Poor) about sourcing loans to finance cottage industry is high. However, the respondents confirmed how poverty alleviation programme are financed by MFIs and that small-scale enterprises has been finding succor in the MFIs.

Question 2

What are the impacts of microfinance institutions on generating employment through the establishment of Small-Scale industries?

Table 2.1: Descriptive Analysis Showing the impact of microfinance institutions on generating employment through the establishment of Small-Scale industries.

SN	ITEMS	SA	A	SD	D
1.	I have good knowledge of the role Microfinance institutions towards establishment of Small-Scale industries in my State	36 (22.5)	82 (51.3)	7 (4.4)	35 (21.9)
2.	I currently have access to microfinance service which has help me earn my living through soft loans obtained to established small scale industry	49 (30.6)	65 (40.6)	11 (6.9)	35 (21.9)
3.	My access to the microfinance institution service is easy and extremely helpful to my improved living standard and self-sustenance	43 (26.9)	84 (52.5)	10 (6.3)	23 (14.4)
4.	The condition of the loan received are convenient to me and a let-loose mechanism for the unemployed youths	46 (28.8)	72 (46.3)	11 (6.9)	31 (19.4)

5.	The services of the microfinance institutions are satisfactory with it prompt response to loans request to establish small-scale industries..	45 (28.1)	74 (46.3)	11 (6.9)	30 (18.8)
6.	Microfinance institutions have improved my well-being through earned income from my established small-scale industry	39 (24.4)	75 (46.9)	13 (8.1)	33 (20.6)

Source: Field Survey, 2019.

Table 2.1 above shows that 73.8 percent of the total sample have good knowledge of Microfinance institutions and the roles played in generating employment in my state; 71.2 percent currently have access to micro-financing services to established small-scale industries; 79.4 percent adjudge that their access to the microfinance institution service is easy and extremely helpful to my improved living standard and self-sustenance; 73.8 percent agree that the conditions of the loan received are convenient and seen as a let-loose mechanism for the unemployed youths; 74.4 percent report that the services of the microfinance institutions are satisfactory with it prompt response to loans request to establish small-scale industries. while 71.3 percent agree that microfinance institutions have improved their well-being in through earned income from my established small-scale industry. However, majority of the respondents stated that conditions, knowledge, access and services MFIs in loans issuance/collection is impressive and robust mechanism for reducing scourge unemployment among youths and able body men. .

Hypothesis 1

Small-scale enterprise financing will not significantly yield employment generation in Ekiti State.

Table 2.1.1: Regression analysis showing the impact of small-scale enterprise financing on employment opportunities and generation.

Model	B	Std. Error	T	Sig. T	R	R ²	F	DW
Constant	1.630	1.100	1.482	.140	.622	.387	99.205	.355
SME financing	.756	.076	9.990	.000				

Results

$$EMP = f(MFL)$$

$$EMP = b_0 + b MFL$$

$$EMP = 1.630 .756$$

$$\text{Std. Error} = (1.100) (.076)$$

$$T = (1.482) (9.990)$$

$$\text{Sig. T} = (.140) (.000)$$

$$R = .662, R^2 = .387, F = 99.805, DW = .355$$

Where: EMP = Employment Opportunities, MFL = SME Financing

In order to assess the impact of Small-Scale Enterprise quantitatively and precisely Ordinary Least Square (OLS) method of Regression Analysis was used. The result above shows that Small-Scale Enterprise financing impacted significantly on employment opportunities in Ekiti State ($t = 9.990, p < 0.05$). Hence, the null hypothesis is rejected. Therefore, Small-Scale Enterprises will significantly yield employment opportunities in Ekiti State.

The relationship between Small-Scale Enterprise financing and employment opportunities is moderately high, positive and statistically of 0.05 level of significance ($r = .622, P, 0.05$). small-scale enterprise financing explain about 39 percent ($r^2 = .387$) of the total variance in employment opportunities while the remaining 61 percent unexplained variance is as a result of variation in other variables outside the regression model.

Durbin-Watson Statistics of .355 confirms the presence of serial autocorrelation in the regression. The regression model is statistically significant in terms of its overall goodness of fit ($F = 99.805, p < 0.05$)

Hypothesis 2

Small-Scale financing will not significantly lead to employment generations in Ekiti State.

Table 2.2.1: Regression analysis showing the impact of small-scale financing practices on employment generation in Ekiti State.

Model	B	Std. Error	T	Sig. T	R	R ²	F	DW
Constant	5.853	.535	10.948	.000	.726	.527	176.389	1.239
Small-Scale Practices	.501	.038	13.281	.000				

Results

$$EMPG = f(SMEF)$$

$$EMPG = b_0 + bSMEF + \mu_i$$

$$EMPG = 5.853 + .501 SMEF$$

$$\text{Std. Error} = (.535) (.038)$$

$$T = (10.948) (13.281)$$

$$\text{Sig. T} = (.000) (.000)$$

$$R = 726, R^2 = .527, F = 176.389, DW = 1.239$$

Where EMPG = Employment Generation, SMEP = Small-scale Enterprising financing

Table 4.3.3 above clearly reveals that the calculated statistics ($t = 13.281$) is greater than tabulated t-statistics (1.960) at 0.05 levels of significance and n-1 degree of freedom. Therefore, the null hypothesis (H_0) is rejected. This implies that small-scale practices will significantly lead to employment generation in Ekiti State.

Small-scale practices correlate significantly with employment generation ($r = .726$, $p < 0.05$). Small-Scale practices contributes to about 53 percent ($r^2 = .527$) variance in employment generation. The remaining 47 percent unexpected variance is largely due to variation in other variables otherwise included in stochastic error term. The value of regression constant is 5.853. It implies that holding Small-Scale financing and other variables constant, the value of employment generation. Durbin-Watson value of 1.239 confirms the presence of serial auto correlation in the regression model. The overall regression model is statistically significant at 0.05 level of significance in terms of its overall goodness of fit ($F = 176.389$, $p < 0.05$).

Conclusion and Recommendations

From the various analyses and review on microfinance and employment generating mechanism discussed above, a conclusion is therefore draw to effect that through microfinance institutions services employed youth can be self-sustenance and earn living by establishing small scale industries rather than searching for white collar job and it serves as succor to the growth and survival of small-scale enterprises in Ekiti State.

Furthermore, growth and survival of Small-Scale enterprises is a panacea for curbing the increase rate of unemployment and poverty in Ekiti State. Based on the outcomes of this research work, the following recommendations are made:

- (i) Microfinance Banks should endeavour to improve on their supervisory capacity. This will ensure prompt release of loans to the unemployed youths with brilliant business proposal/intending small-scale business owners not diverted to other unproductive ventures.
- (ii) The government should base economic policies targeted towards poverty reduction and generate employment to its teeming populace. Implementation of these micro and macroeconomic policies and programmes coupled with its periodic review and evaluation is highly imperative.
- (iii) Microfinance Banks and other financial institution should serve as an unbiased Umpire in the area of loan disbursement to benefiting Small-Scale Entrepreneur. The term of payment and accessibility to the loan facilities based on leveled plan ground devoid of partiality, favouritism, and nepotism.
- (iv) Regular workshops and seminars should be organized for microfinance loan beneficiaries. This will help them in the effective management of the business through an efficient and Strategic channelization of resources towards, productive venture and to instill basic business discipline in them.
- (v) The government should provide an enabling business environment.

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