

Small Scale Businesses and Economic Recession for Sustainable Development

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ABSTRACT

This study assessed the extent small scale business reduce economy recession for sustainable development as perceived by Business Education Lecturers. One research question raised for the study. The descriptive survey was the design adopted. The population of the study comprised 108 Business Education lecturers in Delta State tertiary intuitions. The population served as sample. A 19 items questionnaire was the instrument used for data collection. Section A has 3 items on demographic variables (Gender, Type of Institution and Experience), while section B has 16 items based on the one research question. The questionnaire was given to five experts in Business Education, and five experts in Measurement and Evaluation, for content and face validity. The internal consistency of the instrument yielded a coefficient of 4 using Cronbach alpha. The data collected were analyzed using mean and standard deviation. The findings are small scale businesses serve as place for learning of business skills, Small scale business facilitate the creation of non- existence saving, Small scale business help to check urban- rural drift since it facilitates decentralization of industrial processes, among others. It was recommended graduates should be encouraged to set up businesses. Adequate fund should be given to a business education graduates to set up business among other.

Keywords: *Small Scale Business, Economic Recession, Business Education, Sustainable Development, Lecturers.*

INTRODUCTION

Business education is defined by Ukairo (2017) as an educational programme offered at higher institutions which prepares students for careers in business through inculcating- in them skills, knowledge about or useful in business world. In the same vein Azih and Nwagwu (2015) sees business education as a global programme aimed at preparing individuals for an improved economic participation through equipping them to be intelligent consumers and producers of business products. The National Policy on Education (2004) defined Business Education as an aspect of the educational process involving in addition to general education, the study of technologies and related sciences and the acquisition of practical skills, attitudes, understanding and knowledge relating to occupations in various sectors of economic and social life. Business education is an integral part of general education, provided to equip its recipients with basic skills,

knowledge, abilities, understanding and attitudes that will enable them to become better members of the society. Business education as part of vocational education is aimed at inculcating the relevant and necessary skills for effective self and societal development. It is a discipline and the only programme that trains its recipients for two occupations (Osuala, 2004) the goals of business education. It offers various career opportunities to its graduates not only for teaching in schools at various levels depending on the level of certificates obtained. It also empowers one to work in public and private sectors of the economy or empowers the individual to set up and manage its own business especially in the period of recessed economy.

Business Education is designed to meet basic skills, knowledge and capabilities to function either as a business teacher or business executive. Oluwadare and Adeleye, (2017) outlined the goals of business education to include:

- To make available to all students the opportunities to explore and learn about the world of business and the possible interests and potential careers it has to offer.
- To help develop in all students, the ability to choose wisely the goods and services that business has to offer.
- To assist in developing an intelligent understanding on the part of all student of various occupation to be found in the world of business.
- To develop in practical ways an understanding and an appreciation of the actual function of our economic system.
- To enable student, acquire business knowledge and skills that may be needed for personal use.
- To prepare student to enter into and follow business as a career.
- To prepare student to perform business activities common to many professional areas.
- To prepare student for more effective study in the field of business.
- To prepare students to be business teachers.

Oxford Learners Dictionary, refer to recession as means “a difficult time for the economy of a country, when there is less trade and industrial activity than usual and more people are unemployed”. The National Bureau of Economic Research (NBER) in the Wikipedia Encyclopedia (2000) defined Economic recession as “a significant decline in economic activity spread across a country, lasting more than a few months, normally visible in real Gross Domestic Product (GDP) contraction, real personal income, employment, non-farm projects, industrial production and Wholesale sales”. International Monetary Fund view recession as periods when the growth of an economy is less than 3% and covers a business cycle lasting between 8-10 years. It is also believed to be a period of general economic decline and is typically accompanied by a drop in the stock market and increase in unemployment. Thus, Economic recession refers to a decline in Gross Domestic Product (GDP) for two or more consecutive quarters. Gross Domestic Product is the market value of all goods and services produced within a country in a given period of time. Ukairo (2017) identifies the following causes of economic recession in Nigeria

These are:

- Inability to diversify the economy over dependence on petroleum is a major source of revenue, as earlier mentioned, Nigeria economy is a mono-economy that depended on petroleum as a major source of revenue, the decline in the price of oil resulted to a decline in the nation’s revenue.
- The activities of the militants in the Niger-Delta regions of the oil producing area such as kidnapping, vandalization of pipeline, damage to oil wells, stopping the oil company from operation etc. caused a serious drop in the crude oil produced per barrel to maintain but few.

Small scale businesses according to the United Nations Industrial Development Organisation (UNIDO), is any business having employees of less than or equals one hundred and fifty (150) persons engaged in the enterprise. The New Industrial Policy (1986) defined small scale business as those with total investment of between one hundred thousand and two million naira excluding land but including working capital.

Okoro (2017), stated that small scale business has contributed immensely to the growth of every economy including Nigeria. This assertion is supported by Okenwa (1998) in Igbongidi (2015) who outlined the following as the economic roles of small scale businesses:

- Small scale business serves as placed for learning and training of people at all levels and functions.
- Small scale businesses facilitate the creation and the use of non-existence saving
- Small scale businesses help to check urban-rural drift since it facilitates decentralization of industrial process.
- They help to create employment for the teaming population in Nigeria.
- Small scale businesses create more jobs unit of invested capital and per unit of energy consumed.
- They help to mobilize resources that would remain idle in the hand of people and employ productivity and by so doing, capital formation is encouraged
- They help to link up the various sectors of the economy and constitute the market for agriculture, extractive and industrial output as well as providing the of material and labour input for big industries

Small Scale Businesses and Economic Recession for Sustainable Development

- They help to build management skills in the local populace by allowing them to start businesses with resources requirement and the opportunity to manage the business themselves.
- Transformation of traditional industry.

The Committee for Economic Development Standards (1980) in Igbongidi (2015), outlined the following criteria that the small business must meet:

- Management is not independent
- Capital is supplied and ownership is held by an individual or a small group of people
- The area of operation is mainly local
- The business is small when compared with the biggest unit in its field
- Small scale business has contributed immensely to the growth of every economy including Nigeria. Okoro (2017). Igbongidi (2015) outlined the following as the economic roles of small scale businesses:
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- They help to build management skills in the local populace by allowing them to start businesses with resources requirement and the opportunity to manage the business themselves.
- Transformation of traditional industry.

Small scale business could be funded through long term finance such as equity funds and debt funds, short term finance such as loans from friends, trade financing, borrowing from the bank, over drafts, inherited funds, cooperative

societies, retained earnings, selling of personal property, personal savings, and equipment renting. Okoro(2017).

Igbongidi (2015), shows that small scale businesses in Nigeria does not survive for a long time, some survive within six months, one year, two years, three years, as the case may be. Only few survive after four years of operation. Reasons for failure of small scale businesses according to Igbongidi (2015) are:

- Socio-cultural problems,
- Inadequate operational experience,
- Lacking experience in that business line,
- Inconsistencies in government policies,
- Lack of access to loans,
- Innovation in society that need changes,
- Inadequate capital, Lack of proper planning,
- Lack of competitive edge, Failure to sell yourself,
- Inadequate flexibility, Knowledge entrepreneur but mediocre employees, and Over expansion of business.

The contributions of small scale business in Nigeria can help in a period of economy recession cannot be overstress, since it can lead to economy growth and improves sustainable development.

Sustainable Development could be defined as the ability of the economy to support the needs of the people of a country over a time taking into consideration the economic, social and ecological constraints of the economy Okam (2017) and Ayodele (2007). Wikipedia (2009) states that sustainable development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Anyaehie and Areji (2015) noted that it involves the actualization of human potentials and proper understanding and management of the environment and the resources therein for sustained human well-being. Sustainable development involves consideration of three aspects of reality namely the physical environment, the socio-political and the economic. These three aspects are very central in anybody to sustain any development. When any of these factors is lacking. Such development policy is bound to fail (Inyaehie and Areji, 2015). Sustainable development is aimed at meeting human needs while preserving the environment so that these needs can be met

not only in the present but in the indefinite future. In order to achieve sustainable development in any nation, there must be a balance between environmental, societal, economic considerations needed to maintain and improve the quality of life of generations to come. Therefore, Ishta (2013) stated the objectives of sustainable development:

- To present and care for all forms of life
- To improve the quality of human life
- To minimize the depletion of natural resources
- To change personal attitude and practices towards the environment
- To enable communities care for their own environment
- To reduce poverty
- To improve and promote good governance
- To encourage urban redesign

Business education graduates can help to achieve sustainable development if they can setup more scale businesses and management them successfully without failure.

Business education can help for sustainable development in the following ways;

- To knowledge gained from business education can be used by students to be able to flow effectively in the labor market.
- The knowledge of business education will help the students to be experts in the production of powder soap, setting up barbing salon, tailing business, computer centre etc.
- It will help the students to use modern machines in terms of communication as well as recoding and storing of information.
- Establishing printing and publishing firms in the rural areas and so save the rural dwellers the cost of going to urban centre to buy books and other stationeries.
- Items will be sold at cheaper rates and would also get to the hand of the poor individuals at reasonable prices.
- The knowledge and skill acquired will help the graduates of Business education establish nursery/ primary schools, secondary schools; extra mural classes etc. which will be useful to the society and enable them generate income as well, thereby brining about sustainable development.
- It encourages wealth creation which could lead to higher gross domestic product (GDO).

- It would provide convenience for people in the country.
- It helps to raise the standard of living of business beneficiaries while also strengthening them to survive in a complex society.
- Without any doubt, a functional business education programme is sine-qua-non-for sustainable development.

Statement of the Problem

In the current economic recession in Nigeria, it is essential to look in depth on the effect it has on education and more especially in education which business education, and survival of small scale business. Government and its agencies are responsible for funding of business education programme schools through grants and subventions. They ensure that sufficient teachers, facilities, computers, laboratories and instructional materials are provided. Improvement in conditions of service, payment of teacher's salaries and allowances, monitoring, evaluation, curriculum innovation and development. In a period of economic recession, the recession, the resources needed or are provided by government may decline. Inadequate resources will be made available for the sector to achieve its objectives. Aliyu (2002) noted that the effect of economic recession on educational sector means a considerable reduction from government allocation at a time when students' enrollment is rising considerably. It will result in deterioration in facilities, materials and equipment. Small scale business can help to reduce the harsh effect cause by economic recession. The statement of the problem therefore to what extent can small scale business help to reduce the effect of economic recession for sustainable development.?

Purpose of the Study

The purpose of the study is to assess extent small scale business can reduce the effect of economic recession for successful development specifically the objective of the study is to look at the:

- Extent has business education contributed to the reduction of economic recession for sustainable development
- Extent small scale business can reduce economic recession for sustainable development

Research Question

The following research question guides the study;

To what extent small scale business can reduce economic recession for sustainable development?

Method

The descriptive survey design was adopted for the study. The population of the study comprised 108 Business Education lecturers in Delta State tertiary intuitions. The population served as sampled. A 19 items questionnaire was the instrument used for data collection. Section A has 3 items on demographic variables (Gender, Type of Institution and Experience), while section B has 16 items based on the research question. The questionnaire was given to five experts in Business Education, and five experts in Measurement and Evaluation

Table1. Mean rating of small scale business can reduce economic recession for sustainable development. N=108

S/ N	Extent contributions of small scale business for sustainable development	X	SD	Remark
1	Small scale businesses serve as place for learning of business skills	2.89	0.90	High extent
2	Small scale business facilitate the creation of non- existence saving	2.90	0.67	High extent
3	Small scale business help to check urban- rural drift since it facilitates decentralization of industrial processes	3.01	0.89	High extent
4	Small scale business help to create employment for the teaming population	2.89	0.67	High extent
5	Small scale businesses help to create more jobs	2.78	.087	High extent
6	Small scale business help to mobilize resources that would remain idle	2.55	0.96	High extent
7	Small scale businesses help to link up the various sectors of the economy	2.59	0.99	High extent
8	Small scale businesses help to build management skills in the local populace	2.88	0.82	High extent
9	Small scale businesses help in the transformation of traditional industry	3.65	0.86	High extent
10	Small scale businesses serve as places for training people at all levels and functions	2.90	0.85	High extent
11	Small scale businesses facilitate the use of non-existence saving	2.78	0.67	High extent
12	Small scale businesses help in wealth creation	2.90	0.87	High extent
13	Small scale businesses help in capital formation	2.67	0.99	High extent
14	Small scale businesses help to constitute the market for agriculture, extractive and industrial output	2.56	0.86	High extent
15	Small scale businesses help to provide the source of material	3.17	0.94	High extent
16	Small scale businesses help to provide labour input for big industries	2.81	0.92	High extent
	Grand mean	2.72	0.83	

DISCUSSION

The study reveals the following as contribution of business education with the reduction of economic recession for sustainable development. These are; business education make available to all students the opportunities to learn about the world of business, Business education helps the students to explore the world of business, Business education develop

Department, for content and face validity. The internal consistency of the instrument yielded coefficient of 0.83 using Cronbach alpha. The data collected were analysed using mean and standard deviation. The questionnaire was structured on four points scales of Very high extent 4 points, high extent 3 points, low extent 2 points, and very low extent 1 point. Any item that had a mean of 2.5 and above was regard as high extent, while any item with a mean of 2.5 below was regarded as low extent.

RESULTS

The result of the study is presented in tables and interpretation.

Research Question

To what extent small scale business can reduce economic recession for sustainable development?

in all students, the ability to choose wisely the goods, Business education develop in all students the ability to choose wisely the services, Business education help to assist in developing an intelligent understanding on student of various occupation to be found in the world of business, Business education helps to develop in practical ways an understanding and an appreciation of the actual function of our economic system, Business education helps to

enable student acquire business knowledge and skills that may be needed for personal use, Business education help to prepare student to enter into and follow business as a career, Business education help to prepare student to perform business activities common to many professional areas. Business education to prepare student for more effective study in the field of business. Business education to prepare students to be business teachers, Business education to apply the various business concepts acquired in class to real life situation. Business education to acquire skills and the competencies required for the performance of basic business jobs i.e. take administrative decisions and deal with correspondences. Business education to keep simple records of financial and other transactions in the office, Business education help to operate office machines, Business education help to cater for office equipment, Business education help to cater for office machines, Business education to identify and discriminate among alternatives available to them in the market given limited resources. This study is consistent with the study of Oluwadare and Adeleye, (2017), that outlined similar contribution on business education to national development.

Small scale businesses serve as place for learning of business skills, Small scale business facilitate the creation of non- existence saving, Small scale business help to check urban- rural drift since it facilitates decentralization of industrial processes, Small scale business help to create employment for the teaming population, Small scale businesses help to create more jobs, Small scale business help to mobilize resources that would remain idle, Small scale businesses help to link up the various sectors of the economy, Small scale businesses help to build management skills in the local populace, Small scale businesses help in the transformation of traditional industry, Small scale businesses serve as places for training people at all levels and functions, Small scale businesses facilitate the use of non-existence saving, Small scale businesses help in wealth creation, Small scale businesses helps in capital formation, Small scale businesses help to constitute the market for agriculture, extractive and industrial output, Small scale businesses help to provide the source of material, Small scale businesses help to provide labour input for big industries. This study is in consonance with Okoro (2017) that identified the contribution of

small scale business to the growth of Nigeria economy.

CONCLUSION

Business education play a vital role in reducing economic recession for sustainable development by providing knowledge and skills to the students, in college of education and universities, enabling them to adequately impart knowledge into others and handle sophisticated office technologies and information system. Since the primary goal of business is to produce competent, skillful and dynamic business teachers, office administrators and small-scale business entrepreneur that will effectively compete in the world of work.

RECOMMENDATIONS

The following recommendations are made for the study

- Business education graduates showed be encouraged to setup businesses
- Business education graduates should be given loans by private and government sectors to establishment businesses.
- Business education graduates should be involved in workshop & training on how to manage small businesses.

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Small Scale Businesses and Economic Recession for Sustainable Development

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