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CERTIFICATION

This is to certify that this research work was carried out by **Emmanuel Makanjuola OGUNJEMILUA** in the African Institute for Science Policy and Innovation (AISPI), Faculty of Technology, ObafemiAwolowo University, Ile-Ife, Nigeria.

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DEDICATION

This work is dedicated to ALMIGHTY GOD, the only source of knowledge.

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ABSTRACT

The study examined the knowledge areas of operators of micro and small technical enterprises (MSTEs) in Southwestern Nigeria and investigated the extents and depth of the operators' collaborations. It evaluated the influence of operators' knowledge and network ties on the performance of the enterprises. This was with a view to recommending policy interventions that could lead to significant improvement in the performance of MSTEs.

The study covered Technical Entrepreneurs in Lagos, Ekiti, Oyo and Ondo states. Data were collected from primary and secondary sources. Primary data were collected using a set of questionnaire and supported with guided interview. Multi-stage sampling technique was used for the study. Three Local Governments were randomly selected from each of the states. Twenty five micro and small technical enterprises were purposively selected in each Local Government, making a total of three hundred respondents. The questionnaire elicited information on the socio-economic characteristics, knowledge areas, extents and depth of collaboration and the performance of the respondents. Secondary data were sourced from the records of the firms. The data collected were analyzed with the aid of descriptive statistics and inferential statistics.

The study revealed that majority of the respondents specialized in wood and wood products (20.9%) and their opening hour was 8 am because the business was their career (79.5%) and most of them had 14 years and above of establishment (firm's age).Moreover, many of them did not attend technical school (83.5%) but larger percentages of them were apprentice (73.5%). Majority spent 3 years and 3-5 years in technical school and apprentice training respectively. The business-related knowledge areas of the majority (34.9%) and (38.6%) were between low (3-4 knowledge areas) and average (5-6 knowledge areas) respectively. About 88.4% of the respondents had collaboration with people of related business, majority of them

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had both formal and informal forms of collaboration (73.9%) and strongly agreed with proposed ten benefits of collaborations. Most of the proposed ten benefits of collaborations were significant on the response variables. Comprehensiveness of knowledge areas and forms of collaborations significantly influenced the performance measures; profit (X^2=102.101, P= 0.000**), sales volume (X^2 = 87.086, P= 0.000**) and staff strength (X^2 = 47.313, P = 0.001**). In addition, certain control variables were significant while some were not.

The study concludes that improved knowledge of the operators of MSTEs and effective collaboration among them could lead to significant improvement of their performance.

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CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Small scale business started gaining prominence in Nigeria in the early 1970s and many personal enterprises started springing up and served as a catalyst in the socio–economic development of Nigeria (Osotimehin*et al.,* 2012). Micro, small and medium scale enterprises (MSMEs) is accepted globally as a tool for empowering the citizenry and economic growth. "In a developing economy like Nigeria, micro, small and medium enterprises play tremendous role in reengineering the socio-economic landscape of the country and these enterprises largely represent a stage in industrial transition from traditional to modern technology. Micro, small and medium enterprises are vital in developing the Nigerian economy for the following reasons: income generation, social and political role in local employment creation, balanced resources utilization, utilization of local technology and raw materials in helping to promote change in a gradual and peaceful manner"(NMSMECS, 2010). Moreover, the importance of Micro, Small and Medium Enterprises in the growth process is considered to be a key engine of economic growth and development in Nigeria (NMSMECS, 2010). In addition, with the overall objective of reducing poverty through wealth and job creation and facilitating national economic development, the micro, small and medium enterprises are perceived as the oil required to lubricate the engine of socioeconomic transformation (NMSMECS, 2010).

Micro and small enterprises (MSEs) are one in which the general and functional management is in the hands of one or at most two or three people who make all the important decisions in those enterprises (Oladele, 2007). Hence, Fabayo (1989) observed that one major claim for focus on SMEs is that they are large employers of labour and this makes them vital in

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coping with the problems of unemployment and poverty. According to Fabayo(1989) "strong evidences based on country and regional experiences exist to show that small firms are major sources of employment opportunities for a wide cross-section of the workforce: the young, old, part-time workers and the cyclically unemployed". Ukpabio (2004) noted that micro and small scale enterprises (MSEs) play intermediate role in the development of large scale enterprises. They reduce regional disparities through the creation of employment opportunities in the rural areas and mobilize local resources more readily than large-scale industries. Uzor (2004) opined that (MSEs) contribute to national development by positively influencing the distribution of income both in functional terms, wages and profits in nominal terms. Uzor (2004) noted that focus on SMEs help to decentralize industries thereby not only accelerating rural development but also stemming urban immigration and the consequent problems of congestion in the cities. Uzor (2004) asserted that MSEs could be more readily used to achieve industrial dispersal and regional balance in economic development.

With the realization of the potentials of the MSEs, governments at different levels in Nigeria have put up a lot of support programmes to promote and sustain their development (Osotimehin*et al.,* 2012). It is believed that massive assistance(financial, technical, marketing and managerial) from the government are necessary for the MSEs to grow (Osotimehin*et al.,* 2012). Governments have stepped up efforts to promote the development of MSEs through increased incentive schemes including enhanced budgetary allocation for technical assistance programmes (Osotimehin*et al.,* 2012). Despite government intervention, micro and small scale enterprises (MSEs) in Nigeria have not performed creditably well and they have not played expected significant role in economic growth and apprentice training so as to accelerate employment and poverty alleviation in order to foster Nigeria's economic development. In addition, Fatai (2011) posits that small and medium scale enterprises in Nigeria performed at

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very abysmally and this low performance has further exacerbated poverty, hunger, unemployment and low standard of living of citizens.

1.2 Statement of Research Problem

Micro and small technical enterprises (MSTEs) are drivers of economic growth(Osotimehin*et al.,* 2012). This was recognized by federal, state governments and other organizations in Nigeria and this led to various supports and policies to enhance and encourage entrepreneurship development. The establishment of research institutes and technology incubation centres (TICs), the Small and Medium Enterprise Development Agency of Nigeria (SMEDAN), National Directorate for Employment (NDE) are some of the means through which the governments in Nigeria is encouraging entrepreneurship development. The degree of efficiency of government and other organizational aid to boost entrepreneurship development and enhance entrepreneurs' performance are challenged because the performance of MSTEs in Nigeria is below expectation. There are unemployed graduates, retrenchment is on the increase, and citizens are wallowing in poverty. In contrast, the contributions of entrepreneurship to the economic growth of most advanced countries have been spectacular, especially in the area of employment generation and gross domestic product (GDP) (World Bank, 2013).

In view of the foregoing, the abysmal performance of entrepreneurs have been of great concern to governments, citizens, practitioners and organized private sectors in Nigeria. This phenomenon may not be unrelated to the knowledge areas and

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