

## Chapter 34

# Deploying ICT to Enhance Small Businesses and Achieving Sustainable Development: A Paradigm to Reducing Poverty and Unemployment and Enhancing a Sustainable National Development in Nigeria

**Ojinga Gideon Omiunu**  
*University of Ibadan, Nigeria*

### ABSTRACT

*Beside the SMEs, families operate small and fragmented businesses due to poverty and unemployment to help cater for their needs and family needs. These small and fragmented businesses are common among the poor due to lack of credit to expand such businesses. In addition, with the mandate from the federal government of Nigeria, every business must be registered with the Corporate Affairs Commission of the federal republic of Nigeria and pay a certain amount of money every year depending on level of business growth and development. Suffice to note that despite the payment of these charges by businesses, nothing is done by the federal government to assist them.*

### INTRODUCTION

In the past, less attention was given to SMEs development as the major contribution to GDP and sustenance of the economy was oil. Nevertheless, in recent years, due to high level of poverty, unemployment and the inability of the oil sector to meet the economic demand for national development, attention has been drawn towards SMEs development. It is very obvious that, in Nigeria, individuals and families, in trying to break out of the yoke of poverty and unemployment bewildering individuals and the nation indulge in one or more businesses or the other so as to meet individuals and family needs. These busi-

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ness are so fragmented and so small because of access to vital resources, their turnovers are so small that they can't be fitted into the micro and small enterprises categories of the nation, yet the businesses are so important to the various individuals and families in meeting their needs.

According to the Central Bank of Nigeria (1989) quoted by the Nigeria Vision 2020 (2009), small scale enterprises should have an annual turnover not exceeding 500,000 naira. In addition, in section 37 (2) of the Companies and Allied Matters Decree of 1990, small company should have at least annual turnover of 2 million naira. Ekpenyong & Nyong (1992) had used both limits to draw conclusion in classifying small scale enterprises- not lower than 500,000 naira and not higher than 2 million naira. However in a more recent classification, the Vision 2020 (2009) also provide its own small scale classification. Small scale enterprise should have employees between 10-49 and also have an asset of between 5-50 million naira. However, it seems the Vision 2020 perceived a wide gap of other businesses whose gap was farfetched from the small enterprise perspective, this brings about the micro enterprise. The micro enterprise, which is a lower level than the small enterprise should have less than 10 employees and have assets not less than 5 million naira. This shows a higher upgrade than the limit provided by the Central Bank of Nigeria and the Companies and Allied Matters Decree. This could be due to the depreciating value of the naira and the Nigeria economy.

However, to an average Nigerian, living in a country with average poverty of 70% (NEEDS, 2006) and with approximately 24% of unemployment rate (although various sources have stated that in recent years it has reduced however, obviously the rate of unemployment has sky rocketed as one could notice in every nook and craning of the nation unemployed individuals and graduates rooming the streets with no jobs and searching for menial jobs just to keep living) and with no government support for its citizens, such annual return or turnover and asset based limit might be a mirage. Omiunu (2014) found that, average turnover of SMEs was 375,356 naira which is much more lower as compared to the 500,000 naira of the Central Bank of Nigeria of 1989 and also far from more recent standard of the vision 2020 (2009) which should have an asset of between 5-50 million naira for micro enterprises. This implies that most small businesses in Nigeria are far from achieving the annual turnover and the standard assets possession and may not be among the categories stated by the Central Bank of Nigeria, Companies and Allied Matters Decree and the Vision 2020. Thus, this category of businesses are not acknowledged and recognized in the Nigeria economy, yet they constitute a higher percentage but fragmented businesses of the businesses in Nigeria. Also of importance is their incapability to grow and reach other higher businesses levels in the economy.

This incapability has been caused by so many factors such as lack of planning, poor marketing strategies, lack of availability and accessibility to credit (Ekpenyong & Nyong, 1992); lack of finance and lack of business ethnics (Omiunu, 2014); shortage and inadequacy of financial institutions for SMEs support, high rate of collateral requirements and restriction of collateral to specific assets, lack of effective coordination mechanism to centralise information on possible sources of finance and other resources, misuse of government sources, concentration of finance sources in urban areas (UNEP, 2007); lack of infrastructural facilities, corruption, lack of awareness of necessary information for SMEs development among owners, lack of skills and training, cultural factors, lack of government policies that support SMEs (Apulu & Latham, 2009).

In addition, the lack of effective deployment of Information Communication Technology (ICT) could be another important factor. In addition, studies such as Croteau & Bergeran (2001), Laudon, Laudon & Dass (2006), Ajiferenu & Olatokun (2009), Omiunu (2014), among others have revealed the importance of ICT to business enterprises. However, Omiunu (2014) and Ajiferune & Olatokun (2009) among others

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