


Assessment of Global COVID-19 on SMEs: An Emphasis on Businesses at the Technological Incubation Centre, Nigeria

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ABSTRACT

The purpose of study is the assessment of global COVID-19 on small and medium scale enterprises (SMEs) with the case of Technological Incubation Centre (TIC), Ibadan. Three research objectives were raised. A descriptive survey research design was used. The population of the study is 29. Total census survey was adopted as the sampling technique. SPSS software 25 analysis was used to analyze the data. The study concluded that there has been an increase in all the inputs needed for the production processes at the Centre. Therefore, sales of goods at the period of the COVID-19 have been negatively affected, which has similarly impacted employment generation. It's recommended that the management of the TIC should assist the businesses to mitigate the adverse effect of COVID-19 while the Nigerian government should consider the SMEs as an important sub-sector that could restore the economy to a period of better economic growth.

KEYWORDS

Business Incubator, Business Owners, Creating Shared Value, Diseases, Disruption, Employment Generation, Evaluation, Nigeria, Pandemic, Production, Sales, Wuhan

INTRODUCTION

The ongoing Covid-19 pandemic that is ravaging the global economy is causing wider loss of lives, and severe loss in investment. It's the largest public health challenge over the centuries, which has caused a major economic crisis, loss of jobs, reduction in revenue, halting production processes etc. SMEs' supply and demand of inputs and outputs have all been severely dealt with by the covid-19 emergence.

Across the world, the definition of SMEs varies based on the accepted indices in those nations. The definition of small and medium-sized enterprises in Nigeria also differs from time to time and is dependent on the interpretation of the institutions concerned. The TIC in Ibadan is one of the thirty-seven in Nigeria meant to nurture and grow ideas and businesses. The specific objectives are to: explore the effect of the global covid-19 on the Business' production at the Technology Incubation Centre; examine the effect of the global covid-9 on sales of the businesses at the Technology Incubation Centre and investigate the effect of the global covid-19 on employment generation at the Technology Incubation Centre.

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BACKGROUND

Organisation for Economic Co-operation and Development (2020), noted that more than half of SMEs now face chronic losses, more enterprises will go into extinction if not supported. In the same survey, it was empirically noted that goods and services are targeted by the pandemic. The measures laid down to contain the widespread of the global covid-19 are 2meter social distancing; use of face mask and sanitizer; unnecessary movement as stipulated by the presidential task force which was constituted by the President Muhammadu Buhari on the 9th of March, 2020 (State House, 2021). Meanwhile, Nigeria Centre for Disease Control, (2020) the first case was recorded in Nigeria on the 27th of February, 2020. As at 6th August 2020, 18, 793, 522 cases of COVID-19 have been recorded globally (European Centre for Disease Prevention and Control, 2020), with Africa recorded 21, 631 deaths out of the global 707, 715 while Nigeria shared 927 deaths which has rose to 2163 by August 4, 2021. In the case of Nigeria, the disease got to the country through an infected Italian citizen who got in contact with a Nigerian citizen who was subsequently infected with the coronavirus. Hence, the virus began to spread through Lagos state, Ogun state, Abuja, Oyo state to other parts of the country (Ozili, 2020).

Small and Medium Scale Enterprises(SMEs) has proven to be a major tool adopted by the developed nations to attain socio- economic development (Opafunso & Adepoju, 2014). The total number of persons employed by the SMEs sector as at December, 2013 stood at 59,741,211, representing 84.02 percent of the total labour force. While, female entrepreneurs accounted for 22.75percent in SMEs. Employment generated in Oyo State SMEs accounted 147,200 (male) and 59,501 (female) both representing 10.86 percent (Small and Medium Enterprises Development Agency of Nigeria, 2013).

The popularity of TICs in the globe led Babangida's regime in Nigeria to embrace TICs in 1988 as a veritable blueprint for propelling SMEs. The Federal Government formally developed the nation's TICs in 1992 under the auspices of the Federal Ministry of Science and Technology in partnership with the United Nations Development Programme. The pilot centre in Lagos, was founded at Agege in 1993 (Oyedele et al., 2020) in (Bubou & Okrigwe, 2011). This was followed by Kano and Aba in 1994. The enactment of Decree No. 5 of 1995, assigned the oversight and coordination of TICs to the aforementioned ministry with effect from July 1995 (Akhueomonkhan, Raimi, Patel, & Fadipe, 2014).

MAIN FOCUS OF THE ARTICLE

The study's broad objective is the assessment of Covid-19 on SMEs with emphasis on businesses at the technological incubation Centre, Nigeria.

Issues, Controversies, Problems

The Concept of SMES

Due to their potential to increase economic production and human well-being, the importance of small-scale enterprises to the growth of any economy has been generally recognized (Acho & Abuh, 2018). Geographical area and the essence of the business being carried out are also other perspectives to the definition (Dahuda, 2019). Small-scale firms are one of the modern methods used by developed nations to advance their economies (Aliyu, 2018) in (Fasua, 2006).

In the Nigeria context, Small enterprise is regarded as that one with employment strength of 10-49 and the medium enterprise as the one with employment capacity of 50-100 with asset less than 50 million and 500million respectively (Eniola, 2014). It is the guiding power and a major pillar of the Nigerian economy. Economically, this sector holds the key to the Nigeria's sustainable growth (Oluwadare & Oni, 2016). It is evidence around the world that SMES provide an effective means of stimulating indigenous entrepreneurship, enhancing greater employment opportunities

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