

# **THE IMPACT OF SMALL AND MEDIUM SCALE ENTERPRISES ON THE GROWTH OF NIGERIAN ECONOMY (1980-2014)**

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**EDS/11/0155**

*IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE REWARD OF BACHELOR OF SCIENCE DEGREE (B.SC) SUBMITTED TO THE DEPARTMENT OF ECONOMICS AND DEVELOPMENT STUDIES, FACULTY OF SOCIAL SCIENCE, FEDERAL UNIVERSITY OYE-EKITI, EKITI STATE*

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## **ABSTRACT**

*There has been a significant growth of small and medium scale enterprises on the growth of Nigerian Economy overtime. The financial system of most developing countries including Nigeria has been under financial stress as a result of the twin oil shocks during the 1970's undermined the mass production. This work examines the impact of small and Medium Scale Enterprises on the Growth of Nigerian Economy using a time series data for the period of 1980 to 2014. Consequently, the researcher investigate the possibility of short run and long run relationship between Small and Medium Scale Enterprises, the Engle and Granger test was carried out to test the cointegration among the variables, Error Correction Model were adopted to determine the short run relationship among the variables and the discrepancy between the long run and short run value of SMEs credit. The methodology adopted in this project was the secondary data using the E-view econometric package and estimated using the Ordinary Least Square Method (OLS). Stationary Tests such as Augmented Dickey Fuller Test were also utilized with the use of relevant statistical data from the central Bank of Nigeria, World Development Indicator and journals in the study. The result hence provided little evidence that Small and Medium Scale Enterprises has contributed positively to Nigeria's economic growth though insignificant. It has been therefore recommended that the positive impact of small and medium enterprises (SMEs) to significantly foster economic growth in Nigeria, profitable and productive investments on Small and medium Scale Enterprises (SMEs) should be carried out.*

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