

GLOBAL COMPETITIVENESS, SMES SURVIVAL AND ECONOMIC DEVELOPMENT IN NIGERIA

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Abstract

This paper seeks to establish the effect of global competitiveness based on World Economic Forum framework on basic requirements, efficiency enhancers, innovation and sophistication on the Small and Medium Scale Enterprise (SME's) survival in Nigeria with particular attention to Benin City, Edo state. Global competitiveness could be assessed through the set of institutions, policies, and factors that determine the level of productivity of a country. The level of productivity, in turn, sets the level of prosperity that can be reached by an economy as well as the rates of return obtained by investments in an economy. The paper relied solely on descriptive analysis of the primary data collected from a structured questionnaire. It was found out that the basic requirements, efficiency enhancers, innovation and sophistication which are driven by 12

Key words:

Global competitiveness, SMEs survival, basic requirements, efficiency enhancer, Innovation and sophistication, Benin City

Introduction

Several studies have revealed that small and medium enterprises (SME) performance forms a very important part of any economy. The SME's is also seen as a major engine which encourages the growth of jobs and wealth creation in the country's economic system. In addition, SMEs performance act as a significant part that is linked to the strengthening and

pillars which includes; public institutions environment, infrastructure, macroeconomics environment, health and Primary education, higher education and training, goods market efficiency, labor market efficiency, financial market development, technological readiness, market size, business sophistication and innovation as indicated by World Economic Forum (WEF), were rated low by business owners, which is an indication that Nigerian small and medium enterprises cannot compete globally. The paper suggest a critical review of government policies aimed at addressing the issue of infrastructures, financial incentives, vibrant research institutions and efficient financial market while the Nigerian entrepreneurs and scholars are challenged to vigorously tackle the issue of business innovations, technological readiness and manpower training.

enhancement of the development of the country. Unfortunately, in Nigeria, the full potential of SMEs is not being fully realized. This is worrisome considering the fact that with trade liberalization among countries, going global is almost a necessity. The SMEs sector with global recognition is viewed as an important force of driving the economic growth and employment creation in both developing and developed countries (Eniola & Ektebang, 2014). Therefore, understanding the global competitiveness index (GCI) is a panacea in ensuring the survival of SMEs through sustained innovation in the highly demanding global business world.

Sustainable growth and the increase of SME performance and global competitiveness will open numerous doors for not only employment but also the economic growth of a country. Though recent studies have highlighted the problems of SMEs survival in Nigeria, however, this study is aimed at looking at SMEs global competitiveness and survival based on the basic requirements, efficiency enhancers, innovation and sophistication rating by the owners of SMEs in Nigeria. The basic requirements, efficiency enhancers, innovation and sophistication as defined by World Economic Forum (WEF) are driven by 12 pillars which includes; public institutions environment, infrastructure, macroeconomics environment, health and Primary education, higher education and training, goods market efficiency, labor market efficiency, financial market development, technological readiness, market size, business sophistication and innovation.

Statement of research Problem

Several recent studies have revealed the problems of SMEs in Nigeria and the inability of SMEs to compete globally (Ibidunni & Ogundele, 2013; Eniola & Ektebang, 2014; Nweze, 2009; Chindu, 2006; Onyenekenwa, 2010). However, we are not aware of any study in Benin-City, Edo State, Nigeria, where the basic requirements, efficiency enhancer, innovation and sophistication as defined by (WEF, 2014) have been used to evaluate the global competitiveness of SMEs in Nigeria using the Nigerian business owners rating. This study is aimed at filling this gap in knowledge.

Research Objectives

The objectives of this study are;

1. To identify the basic requirements, efficiency enhancers, business innovation and sophistication that is available to SMEs in Benin City

2. To assess the rating of global competitive pillars by SMEs owners in Benin City.
3. To give recommendation on the improvement of the basic requirements, efficiency enhancers, business innovation and sophistication in Benin City.

LITERATURE REVIEW

Definition of SMEs

There is no precise or universally accepted definition of SMEs because of the subjective classification of business into small and large scale definition. The definition also vary between countries and between continents (Egbuogu, 2003).

According to Carpenter (2003), major criteria used in the definition of SMEs could include various combinations of the following: Number of employees, financial strength, sales value, relative size, initial capital outlay or value of annual turnover

However SMEs are broadly defined by the CBN (2014) as businesses with turnover of less than N100 MM per annum and/ or less than 300 employees. Studies has shown that approx. 96% of Nigerian businesses are SMEs compared to 53% in the US and 65% in Europe. It was also observed that SMEs in Nigeria represent about 90% of the manufacturing/ industrial sector in terms of number of enterprises. They contribute approx. 1% of GDP compared to 40% in Asian countries and 50% in the US or Europe and are distributed by clusters within regions (Oyelaran-Oyeyinka, 2014)

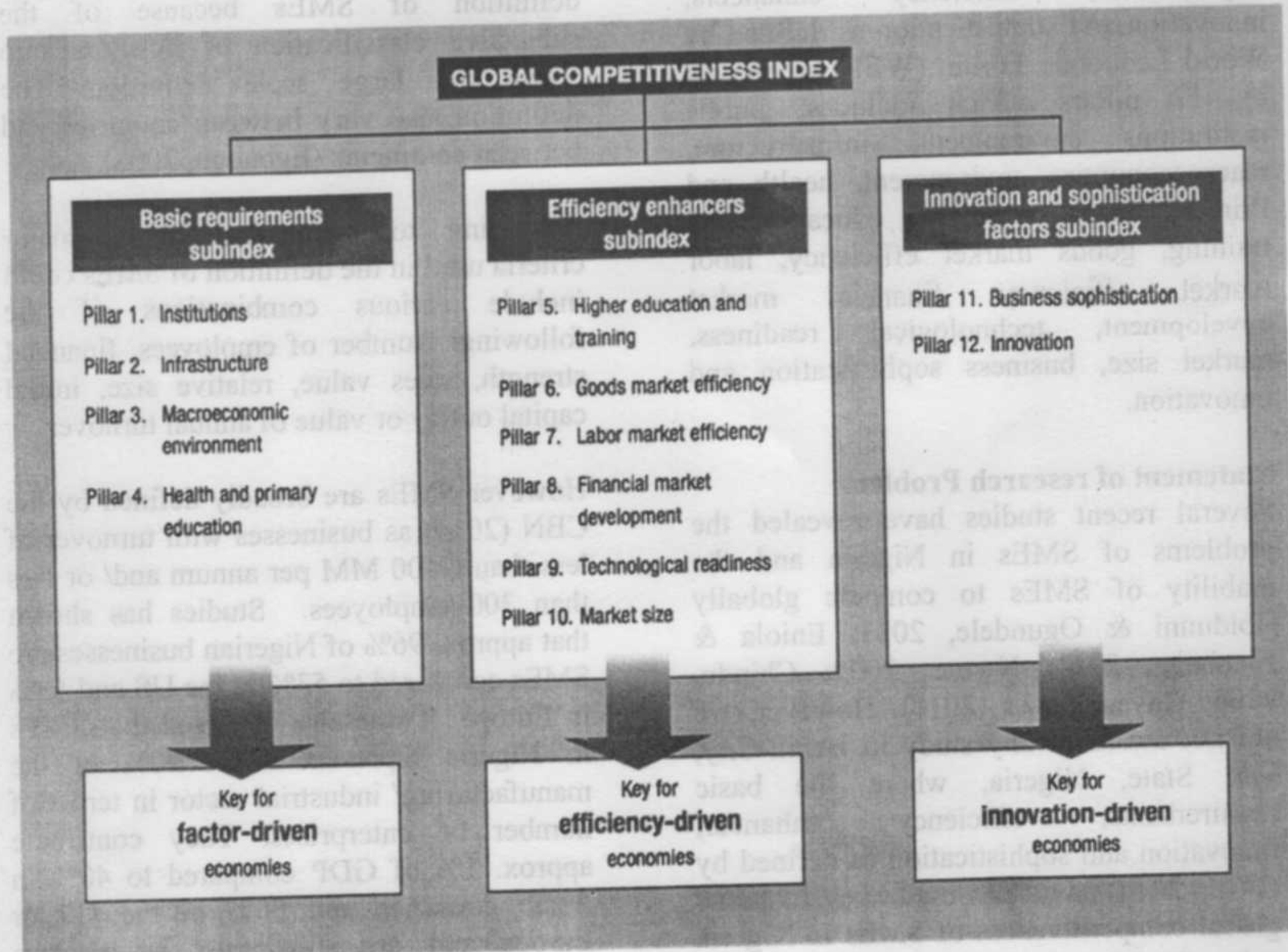
What is Global Competitiveness

WEF (2014) define global competitiveness as the set of institutions, policies, and factors that determine the level of productivity of a country. The level of Productivity, in turn, sets the level of prosperity that can be reached by an economy. The productivity level also determines the rates of return obtained by investments in an economy, which in turn

are the fundamental drivers of its growth rates and development. In other words, a more competitive economy is one that is likely to grow faster over time. This could only be achieved through the availability of the basic requirements, efficiency enhancer, innovation and sophistication which are driven by 12 pillars. The basic requirements include; institutions, infrastructure, macroeconomic environment, health and primary education. The efficiency

enhancers include; higher education and training, goods market efficiency, labor market efficiency, financial market, technological readiness and market size while innovation and sophistication include; business sophistication and innovation (WEF, 2014). The different aspects of competitiveness are captured in 12 pillars, which compose the Global Competitiveness Index (GCI). The framework for global competitiveness is shown in fig. 1 below

Figure 1: The Global Competitiveness Index framework



Source: WEF 2014

The global competitiveness framework postulates that for country to be globally competitive, the economy must be driven by 12 pillars. These pillars are further classified into three main 3 components that are required for different stages of development. These component are: Factor driven Stage, Efficiency driven stage and Innovation driven Stage.

Countries compete based on their factor endowments which include primarily unskilled labor and natural resources. Maintaining competitiveness at the first stage of development hinges primarily on well-functioning public and private institutions (pillar 1), a well-developed infrastructure (pillar 2), a stable

macroeconomic environment (pillar 3), and a healthy workforce that has received at least a basic education (pillar 4). At the second stage, countries begin to develop more efficient production processes and increase product quality which will result in economies of scale. Competitiveness is increasingly driven by higher education and training (pillar 5), efficient goods markets (pillar 6), well-functioning labor markets (pillar 7), developed financial markets (pillar 8), the ability to harness the benefits of existing technologies (pillar 9), and a large domestic or foreign market (pillar 10). Finally, as countries move into the innovation-driven stage, their companies must compete by producing new and different goods using the most sophisticated production processes (pillar 11) and by innovating new ones (pillar 12).

In the time past, small businesses tended to operate their businesses within the local environment. However, with trade liberalization among countries, going global is almost a necessity. Consumers, businesses and governments have become more knowledgeable and accustomed to searching for the best products and services worldwide. Global competition has allowed companies to sell and buy their services internationally, which opens the door to increased profits and flattens the playing field in business. In order to keep the competitive position in the domestic market, the local firms will need to acquire knowledge of other key competitors in the global marketplace. The SMEs sector with global recognition is view as an important force of driving the economic growth and employment creation in both developing and developed countries (Awuah & Amal, 2011).

Institutional environment

The institutional environment which determines the success or failure of SMEs consists of the legal and administrative framework within which individuals, firms, and governments interact to generate

wealth. The quality of institutions has a strong bearing on competitiveness and growth (Acemoglu et al. 2001, 2002; Rodrik et al. 2002; and Sala-i-Martin et al 2007). Institutional environment also influences investment decisions and the organization of production and plays a key role in the ways in which societies distribute the benefits and bear the costs of development strategies and policies.

In Nigeria, some of the factors arising from institutional environment that that have been attributed to the failure of SMEs include; excessive bureaucracy and red tape, overregulation, corruption, dishonesty in dealing with public contracts, lack of transparency and trustworthiness, inability to provide appropriate services for the business sector, and political dependence of the judicial system. These factors impose significant economic costs to businesses and slow the process of economic development (Onugu, 2005 & Chibundu, 2006).

In addition, poor implementation of policies including administration of incentives and measures aimed at facilitating SMEs growth and development have had unintended effects on the sub-sector. This had resulted for instance, into confusion and uncertainty in business decisions and planning as well as weakened the confidence by the SMEs on government's capacity to execute faithfully its programme.

Infrastructure

Efficient infrastructure plays a key role is in ensuring the effective functioning of the economy, it is also an important factor in determining the location of economic activity and the kinds of activities or sectors that can develop within a country.

According to WEF (2014) a well-developed infrastructure reduces the effect of distance between regions, integrating the national market and connecting it at low cost to markets in other countries and regions. In addition, the quality and extensiveness of

infrastructure networks significantly impact economic growth and reduce income inequalities and poverty in a variety of ways (Easterly, 2002).

A well-developed transport and communications infrastructure network is a prerequisite for the access of less-developed communities to core economic activities and services. Some of the basic infrastructure include mode transportation, electricity power supply and telecommunication services. Effective modes of transport which include quality roads, railroads, ports, and air transport services, enable entrepreneurs to get their goods and services to market in a secure and timely manner and facilitate the movement of workers to the most suitable jobs. Economies also depend on electricity supplies that are free from interruptions and shortages so that businesses and factories can work unimpeded. Finally, a solid and extensive telecommunications network allows for a rapid and free flow of information, which increases overall economic efficiency by helping to ensure that businesses can communicate and decisions are made by economic actors taking into account all available relevant information.

Unfortunately, Several studies in Nigeria have identify the inadequate, inefficient, and at times, non-functional infrastructural facilities as one of the banes of the successful operations of SMEs in Nigeria (Onugu, 2005 ; Awuah & Amal, 2011; Chibundu, 2006 & Onyenekenwa, 2010). This in turn tend to escalate the costs of operation of SMEs as they are forced to resort to private provisioning of utilities such as road, water, electricity, transportation, communication.

Macroeconomic environment

The stability of the macroeconomic environment is important for business and, therefore, is significant for the overall competitiveness of a country (Fischer,

1993). Though macroeconomic stability alone cannot increase the productivity of a nation, however, unfavorable macroeconomic environment may be inimical to the economic growth of any nation. For instance, government cannot provide services efficiently if it has to make high-interest payments on its past debts. In addition, running fiscal deficits limits the government's future ability to react to business cycles. On the other hand, firms cannot operate efficiently when inflation rates are out of hand. Therefore, the economy of a country cannot grow in a sustainable manner unless the macro environment is stable. it is the responsibility of the government to take urgent action to prevent macroeconomic instability when their public debt reached unsustainable levels in the wake of the global financial crisis.

Health and primary education

WEF (2014) noted that a healthy workforce is vital to a country's competitiveness and productivity. Workers who are ill cannot function to their potential and will be less productive. Poor health leads to significant costs to business, as sick working force may often lead to high absenteeism or lower levels of efficiency. Investment in the provision of health services is thus critical for clear economic, as well as moral considerations (Sachs, 2001)

In addition to health, the quantity and quality of the basic education received by the population is increasingly important in today's economy. Basic education increases the efficiency of each individual worker. Moreover, often workers who have received little formal education can carry out only simple manual tasks and find it much more difficult to adapt to more advanced production processes and techniques, and therefore they contribute less to devising or executing innovations. In other words, lack of basic education can become a constraint on business development, with firms finding it difficult to move up the value chain by

producing more sophisticated or value-intensive products.

Higher education and training

Quality higher education and training is crucial for economies that want to move up the value chain beyond simple production processes and products (Kremer, 1993). In particular, today's globalizing economy requires countries to nurture pools of well-educated workers who are able to perform complex tasks and adapt rapidly to their changing environment and the evolving needs of the production system.

In addition, the extent of staff training in terms of vocational and continuous on-the-job training is very important in ensuring a constant upgrading of workers' skills. It also enhances the efficiency and adaptability of workers to the use of modern technology. Unfortunately this is neglected in many economies

Rosli (2012) noted that training and skill development are among notable HRM practices having great value to an organization. Past evidence has also showed a positive relationship between entrepreneurship training and business performance (Petridou et al., 2009).

However, there have been Lack of suitable training and leadership development in Nigeria. In spite of the fact that training institutions abound in Nigeria, they rarely address the relevant needs of SMEs especially in the areas of Accounting, Marketing, Information Technology, Technological processes and development, International trade, Administration and management of Small and Medium Enterprises. Essentially, SMEs are left most often on their own to eke out success amidst the avalanche of operational difficulties inherent in the Nigerian environment as well as the operational shortcomings, which characterized institutions set up to facilitate SME businesses.

Goods market efficiency

Countries with efficient goods markets are well positioned to produce the right mix of products and services given their particular supply-and-demand conditions, as well as to ensure that these goods can be most effectively traded in the economy. Healthy market competition, both domestic and foreign, is important in driving market efficiency, and thus business productivity, by ensuring that the most efficient firms, producing goods demanded by the market, are those that thrive. The best possible environment for the exchange of goods requires a minimum of government intervention that impedes business activity.

Unfortunately, in Nigeria, market efficiency is hampered by weak demand for products, arising from low and dwindling consumer purchasing power aggravated by lack of patronage of locally produced goods by the general-public as well as those in authority. In addition, unfair trade practices characterized by the dumping and importation of substandard goods by unscrupulous businessmen. This situation is currently being aggravated by the effect of globalization and trade liberalization, which make it difficult for SMEs to compete even in local/home markets. Insufficient demand for the products of the SMEs also imposes constraint on their growth.

Although many SMEs produce some inputs for larger industrial enterprises, the non-standardization of their products, the problem of quality assurance as well as weak purchasing power, arising from consumers' dwindling real incomes, effectively restrict their market access. This is further compounded by the absence of knowledge about the existence of fringe markets by SMEs.

Labor market efficiency

WEF (2014) noted that efficiency and flexibility of the labor market are critical for ensuring that workers are allocated to their most effective use in the economy and

provided with incentives to give their best effort in their jobs. Labor markets must therefore have the flexibility to shift workers from one economic activity to another rapidly and at low cost, and to allow for wage fluctuations without much social disruption (Almeida and Carneiro 2009; Amin 2009; and Kaplan 2009). Efficient labor markets must also ensure clear strong incentives for employees and efforts to promote meritocracy at the workplace, and they must provide equity in the business environment

Financial market development

The financial and economic crisis has highlighted the central role of a sound and well-functioning financial sector for economic activities. An efficient financial sector allocates the resources saved by a nation's citizens, as well as those entering the economy from abroad, to their most productive uses. It channels resources to those entrepreneurial or investment projects with the highest expected rates of return rather than to the politically connected. A thorough and proper assessment of risk is therefore a key ingredient of a sound financial market.

Business investment is also critical to productivity. Therefore economies require sophisticated financial markets that can make capital available for private-sector investment from such sources as loans from a sound banking sector, well-regulated securities exchanges, venture capital, and other financial products. In order to fulfill all those functions, the banking sector needs to be trustworthy and transparent. Therefore, financial markets need appropriate regulation to protect investors and other actors in the economy at large.

In Nigeria, The banking sector tends to be lukewarm in meeting the credit requirements of SMEs. This is because project proposals are poorly prepared, financial documentation and inadequate collateral are not provided, as well as the

inability of the promoters of SME projects to raise the required equity contribution (Chibundu, 2006).

Moreover, the banks regard many SMEs as high risk ventures because of absence of succession plan in the event of the death of the proprietor. As a result, working capital is still a major constraint on production, as most SMEs are restricted to funds from family members and friends and are therefore unable to respond to unanticipated challenges in a timely manner. More worrisome is SMEs' inability to adequately tap available finance from the capital market. This had been attributed to by their aversion to disclosure and ownership dilution, although many SMEs blamed this phenomenon on the cumbersome requirements and procedures for listing on the Stock Exchange (Onugu, 2005 & Chibundu, 2006).

Technological readiness

In today's globalized world, technology is increasingly essential for firms to compete and prosper. The technological readiness pillar measures the agility with which an economy adopts existing technologies to enhance the productivity of its industries, with specific emphasis on its capacity to fully leverage information and communication technologies (ICTs) in daily activities and production processes for increased efficiency and enabling innovation for competitiveness (WEF, 2014).

Whether the technology used has or has not been developed within national borders is irrelevant for its ability to enhance productivity. The central point is that the firms operating in the country need to have access to advanced products and blueprints and the ability to absorb and use them.

According to Trajtenberg (2005), a general purpose technology (GPT), is one that, in any given period, gives a particular contribution to an overall economy's

growth because of its ability to transform the methods of production in a wide array of industries.

Market size

The size of the market affects productivity since large markets allow firms to exploit economies of scale. Traditionally, the markets available to firms have been constrained by national borders. In the era of globalization, international markets have become a substitute for domestic markets, especially for small countries. Vast empirical evidence shows that trade openness is positively associated with growth. Even if some recent research casts doubts on the robustness of this relationship, there is a general sense that trade has a positive effect on growth, especially for countries with small domestic markets (Alesina et al. 2005; and Feyrer 2009). Market size include both domestic and foreign markets. A firm that is not able to compete in in international market is therefore restricted to domestic market and invariably a small market size.

Business sophistication

Sophisticated business practices are conducive to higher efficiency in the production of goods and services. Business sophistication concerns two elements that are intricately linked: the quality of a country's overall business networks and the quality of individual firms' operations and strategies. These factors are especially important for countries at an advanced stage of development when, to a large extent, the more basic sources of productivity improvements have been exhausted. The quality of a country's business networks and supporting industries, as measured by the quantity and quality of local suppliers and the extent of their interaction, is important for a variety of reasons. When companies and suppliers from a particular sector are interconnected in geographically proximate groups, called clusters, efficiency is heightened, greater opportunities for innovation in processes and products are

created, and barriers to entry for new firms are reduced. Individual firms' advanced operations and strategies (branding, marketing, distribution, advanced production processes, and the production of unique and sophisticated products) spill over into the economy and lead to sophisticated and modern business processes across the country's business sectors.

Innovation

Innovation is the application of new ideas, which adds value to products, processes, work organisational systems or marketing systems of a firm (Weerawardena, 2003). Innovation and internationalisation (global orientation) are firm-specific capabilities (Awuah and Amal, 2011), which should not be overlooked in any study of firm competitiveness under the present world of business. Innovation can emerge from new technological and non-technological knowledge. Non-technological innovations are closely related to the know-how, skills, and working conditions that are embedded in organizations. Although substantial gains can be obtained by improving institutions, building infrastructure, reducing macroeconomic instability, or improving human capital, all these factors eventually run into diminishing returns. The same is true for the efficiency of the labor, financial, and goods markets.

In the long run, standards of living can be largely enhanced by technological innovation. Although less-advanced countries can still improve their productivity by adopting existing technologies or making incremental improvements in other areas, for those that have reached the innovation stage of development this is no longer sufficient for increasing productivity. Firms in these countries must design and develop cutting-edge products and processes to maintain a competitive edge and move toward even higher value-added activities. This

progression requires an environment that is conducive to innovative activity and supported by both the public and the private sectors. In particular, it means sufficient investment in research and development (R&D), especially by the private sector; the presence of high-quality scientific research institutions that can generate the basic knowledge needed to build the new technologies; extensive collaboration in research and technological developments between universities and industry; and the protection of intellectual property.

Business strategy typologies place great emphasis on innovation as a dynamic processing tool in adapting to the changes and uncertainties in the market environments. Roberts and Amit (2003) see innovation as a means leading to a competitive advantage and superior profitability. With innovation, quality of products could be enhanced, which in turn contributes to firm performance and ultimately to a firm's competitive advantage.

Methodology

The survey method was adopted with a well-structured questionnaire to elicit information from owners of SMEs producing different kinds of products and services in Benin City which has four local government council. Cluster sampling was used to choose 120 prominent Benin City based SMEs by dividing the SMEs population into mutually exclusive clusters by local government areas, that is, Egor, Ikpoba-Okah, Oredo and part of Ovia North local government. To ensure adequate spread and representation of all the SMEs in Benin City, 30 SMEs were selected in each of the local government area. Two research administrators holding B.Sc in Business Administration were engaged for two weeks to support the effort of the researcher. They were properly trained on the assignment. 7-points Likert summated rating scale was adopted in line with WEF (2014) 12 pillars global competitive index (GCI) which were

measured by the descriptive analysis which consist of percentage ratio and weighted average.

Research Findings

This study assessed the global competitiveness index rating by SMEs owners in Benin City, Nigeria using the 12 pillars drivers as proposed by world economic forum (2014). The pillars were rated on 7 point likert scale. The finding as shown in appendix A indicate that public institution environment was rated 1.42, infrastructure 2.20, macroeconomic environment 2.48, health and primary education 2.26, higher education and training 2.38, goods market efficiency 2.40, labour market efficiency 2.28, financial market efficiency 2.43,, Technology readiness 1.97, market size 2.28, business sophistication 2.25 and innovation 2.11. The overall weighted average competitiveness index was 2.21. Therefore, the SMEs will not likely compete globally, except if the problems of these driving pillars are properly addressed.

Recommendations and Conclusion

In view of this research findings, it is important that both government and entrepreneurs must address the substantial presence of these driving pillars of the economy. Government should encourage R&D spending (e.g. through tax breaks), improve the skills base of workers by providing skill development programs, improve the economic infrastructure, promote competition between firms, operate macro-economic policies favourable to business expansion, reduce interest rates to stimulate investment, reduce tax rates to stimulate enterprise, effort and investment deregulation to promote competition, reduce bureaucracy, encourage sharing of ideas, reduce protectionist barriers to stimulate competition and encourage investment in human capital. On the other hand, firms can increase their international competitiveness by: Rationalisation output to get rid of high cost, involve in production innovation,

product innovation, incorporating the latest technology into investment, seek out for new market opportunities, improving relationships with suppliers and customer.

It is therefore crucial to address these structural challenges in addressing the gross

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Appendix A

The respondent rating on the 12 pillars that drives the economy

EA=Entirely Agree, MA=Mostly Agree, SWA=Somewhat Agree, NAD= Neither Agree or Disagree, SWD= Somewhat Disagree, MD= Mostly Disagree, ED= Entirely Disagree

S/N	PILLARS	EA		MA		SWA		NAD		SWD		MD		ED		INDEX
		No	F	No	F	No	F	No	F	No	F	No	F			
	Rating	7		6		5		4		3		2		1		
1	INSTITUTIONS															
i	There is public trust in politicians	-	-	-	-	-	-	-	-	15	12.5	20	16.7	85	70.8	1.42
ii	There is judiciary independence	-	-	-	-	-	-	-	-	-	-	07	5.8	113	94.2	1.06
iii	There is no burden of government regulations	-	-	05	4.2	18	15	09	7.5	15	12.5	17	14.2	56	46.6	2.43
iv	There is transparency of government	-	-	-	-	-	-	-	-	-	-	19	15.8	101	84.2	1.16
v	There is no wastefulness of Government expenditure	-	-	-	-	-	-	-	-	-	-	05	4.2	115	95.8	1.04
	INDEX															1.42
2	INFRASTRUCTURE															
i	There are good roads in Benin city	-	-	-	-	-	-	03	2.5	06	5	14	11.7	97	80.8	1.29
ii	There are good railways	-	-	-	-	-	-	-	-	-	-	-	-	120	100	1.00
iii	There are good air transport services	-	-	07	5.8	12	10	21	17.6	25	20.8	28	23.3	27	22.5	2.86
iv	There is adequate supply of electricity	-	-	-	-	-	-	32	26.7	15	12.5	18	15	55	45.8	2.20

v	There are good telecommunication services	14	11.7	18	15	04	3.3	16	13.3	26	21.7	27	22.5	15	12.5	3.64
	INDEX															2.20
	3 MACROECONOMIC ENVIRONMENT															
i	There is low annual % changes in inflationary rate	-	-	-	-	-	-	42	35	23	19.2	15	12.5	40	33.3	2.55
i	Government budget is favourable to investors	-	-	-	-	12	10	35	29.2	27	22.5	22	18.3	24	20	1.84
iii	There is a strong investment protection policies	-	-	-	-	14	11.7	23	19.2	12	10	11	9.2	60	50	2.33
iv	The policies of government are favourable to business	-	-	18	15	20	16.6	08	6.7	22	18.3	21	17.6	31	25.8	3.15
v	There is no general increase in government debt yearly	-	-	-	-	-	-	12	10	15	12.5	09	7.5	84	70	2.53
	INDEX															2.48
	4 HEALTH AND PRIMARY EDUCATION															
i	There is high quality of primary schools education	-	-	-	-	07	5.8	15	12.5	21	17.5	32	26.7	45	37.5	2.23
ii	There is high quality of hospital facilities									10	8.3	27	22.5	83	69.2	1.43
iii	There is high quality of teachers in primary schools			12	10	11	9.2	15	12.5	25	20.8	28	23.3	29	24.2	2.89
iv	There is high quality of doctors			08	6.7	05	4.2	22	18.3	32	26.7	28	23.3	25	20.8	2.81

v	There is high quality of drugs and standard treatment										16	13.3	14	11.7	34	28.3	56	46.7	1.92
	INDEX																		2.26
5	HIGHER EDUCATION AND TRAINING																		
i	There is high quality of secondary schools	-									07	5.8	05	4.2					
ii	There is high quality of management school	-									-	-	-	-					
iii	There is availability of research and training institutions	-									22	18.3	10	8.3					
iv	There is high quality of teachers in secondary schools	-									12	10	07	5.8					
	My staff receives regular training	-									-	-	-	-					
	INDEX																		2.38
6	FOODS MARKET EFFICIENCY																		
i	Taxation policies encourages investment	-									-	-	-	-					
ii	New procedures for starting new business are favourable	-									11	9.2	09	7.5					
iii	There is prevalence of trade barriers	-									07	5.8	18	15					
iv	Agricultural policy is favourable	-									22	18.3	14	11.7					
v	There is no high intensity of local/ foreign competition	-									-	-	-	-					
	INDEX																		2.40

7 LABOUR MARKET EFFICIENCY																
i	There is effective hiring and firing practices	-	-	-	-	-	11	9.2	23	19.2	22	18.3	64	53.3	1.84	
ii	There is Flexibility of wage determination	-	-	-	-	-	04	3.3	30	25	22	18.3	76	63.3	3.08	
iii	The pay of workers is commensurate with their productivity	-	-	-	-	-	17	14.2	30	25	23	19.2	50	41.7	2.12	
iv	There is availability of high quality of labour force	-	-	31	25.8	28	23.3	04	3.3	26	21.7	15	12.5	16	13.3	3.88
v	The labour ratio of women to men is appropriate	-	-	-	-	-	29	24.2	17	14.2	32	26.7	42	35	2.28	
INDEX										2.64						
8 FINANCIAL DEVELOPMENT MARKET																
i	There is affordable financial services	-	-	-	-	-	09	7.6	13	10.8	98	81.6	1.26			
ii	There is easy access to loan	-	-	-	-	-	15	12.5	05	4.16	100	83.4	1.29			
iii	There is availability Venture capital	-	-	-	-	-	38	31.7	03	2.5	15	12.5	64	53.3	2.13	
iv	The bank are financially strong	-	-	15	12.5	25	20.8	46	38.3	22	18.3	08	6.7	04	3.4	4.04
v	There is availability of financial services	-	-	-	-	22	18.3	36	30	42	35	14	11.7	06	5	3.45
INDEX										2.43						
9 TECHNOLOGY READINESS																

