

Impact of Community and Social Development (CSDP) Electricity Projects on Small Scale Businesses in Nigeria: A study of the South-East States, Nigeria

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ABSTRACT: The study investigated the impact of foreign aid on the Community and Social Development of different sectors of the Nigerian economy. Particular emphasis was laid on the impact of Electricity Projects on Small Scale Businesses in Nigeria: A study of the South-East States. Empowerment theory of development provided the theoretical framework for the research. Survey and content Analytical Approach were adopted to elicit data for the study. Multi- stage sampling technique was used to select respondents. The primary data were analyzed using Z-test parametric statistics. The findings revealed that CSDP infrastructure however, is rated high in the provision of micro- projects to the rural communities but its approach is group targeted rather on the individual poor. Consequently, the paper recommends amongst others that adequate background studies should be undertaken to understand the demographic characteristics of the rural communities to enable development agencies target their efforts on the real poor based on sufficient need assessments of recipients and to ensure sustainability of the projects.

KEYWORDS: Small Scale Businesses, Electricity supply, community Development

I. INTRODUCTION

The issue of development stands one of the national priorities of every government. Nonetheless, governments channel both domestic and foreign approaches in pursuance of national development. Also, Global concerns to end poverty and many other indicators of the downside of development have been described as the basic reason for foreign aid intervention. The filling of this growing gap between the developing and developed countries has led to constant inflow from the developed countries to those in the developing countries including Africa, with the goal of helping them overcome their problems and reduce the gap. One of the ways of filling up this gap is through foreign aid which if handled properly would enhance economic growth and development. As Burnside and Dollar (2000), where the authors find support for the basic idea that an increase in aid flows strengthens economic growth in poor countries when the policy environment is conducive. In the presence of poor policies, aid was not found to have any positive effect on growth. The Community and Social Development Programme (CSDP) being one of the strategies to reduce poverty is the outcome of an agreement between the Federal Government and the World Bank anchored on the 2005 – 2007 Country Partnership Strategy (CPS) to harmonize World Bank Funded Community Driven Development (CDD) projects in the country. The harmonization process, which informed the merger of Community-Based Poverty Reduction Project (GPRP) and Local Empowerment and Environmental Management Project (LEEMP), is to ensure that resources are effectively and efficiently targeted in reducing poverty levels in the country.

The focus of CSDP and the linkages with the national development expectation is however targeted at the rural dwellers where community and social development needs have been limited over the years by absence of resources, lack of accountability and transparency in governance among others. Similarly, the monumental setback and damage to socio-economic, industrial and infrastructural development of Nigeria caused by the extreme low electricity generation, transmission and distribution cannot be over emphasized. As a matter of fact, there will be a quantum leap in the socio-economic, industrial and infrastructural growth and development in Nigeria if only the leaders in the country can be wise enough with full determination to take though painful but pragmatic and decisive actions against every cartel, cabal, mafia etc. including corruptions in the power sector and begin to generate electricity that will meet the needs of the country rather than paying lip-service to the issue. Nonetheless, the problem of this sector that has so far defies all solutions according to David Lamb; chairman Business Council for Africans too much talk and less action that (Akpan, 2012). It is sad to note that, even in towns and cities in Nigeria today, households are fast becoming another tier of government that generates their own electricity, portable water, provide their own security etc. by themselves, while poor electricity supply is

forcing lot of companies to fold up every day, laying off workers and compounding the already worst unemployment situation in the country. Those that manage to keep going are doing so at a huge cost of running power generators leading to huge cost of production and of course escalated increase in cost of goods and services. Thus, the situation in rural communities is better imagined. The importance of power supply to economic development of any nation cannot be Overemphasized. Availability and access to reliable electricity supply has a rippling effect on productivity and welfare of society. Turning to the small and medium enterprises (SMEs), they are indeed high potentials for development in terms of employment generation and wealth creation in any economy. Empirical studies have shown that the Small and Medium Scale enterprises have in many state enhanced greater per unit of capital invested and supported the employment opportunities. This explains the deep interest which developing nations have shown in the promotion of Small and Medium Scale enterprises since 1970s. The agency's intervention in some rural communities in the South Eastern States have over the years been providing rural settlers with infrastructure such as skill acquisition, roads, rural water supply scheme, electricity, building of model communities, access to quality education, employment generation improved health care delivery among others but the likely effect of these changes on the social economic status of the rural communities are yet to be felt. The huge aid flows appear to have done little to change the development trajectories of poor countries in Africa, particularly in Nigeria. In the light of this, this research assessed the impact of Community and Social Electricity Development Projects in employment generation in Nigeria with particular reference to the SMEs in the south east

Objectives of the Study

The specific objectives include among other things to:

1. The extent CSDP electricity supply has enhanced small scale businesses in the rural communities.
2. If CSDP electricity projects has increased of number of SME's in the rural communities
3. How CSDP interventions on power supply and enhanced production of goods in the rural dwellers.

Research Hypothesis

H₁: CSDP Micro Electricity project intervention has not enhanced the employment generation of small businesses amongst the rural people of the South East States.

H₁: CSDP Micro Electricity project intervention has enhanced the employment generation of small businesses amongst the rural people of the South East States.

II. LITERATURE REVIEW

While providing a synthesis of the concept of community development, Shaffer (1989) conceived community development in the context of community's vitality to arouse the capacity of the local socio-economic system to survive and persist in generating employment, income and wealth and to maintain, if not improve its' relative economic position. The Aspen Institute (1994) explains community development as community capacity with the combined influence of a community's commitment, resources and skills that can be deployed to build on community strengths and address community problems and opportunities.

In another perspective, community development depicts a process where people are united with those of governmental authorities to improve the economic, social and cultural conditions of communities as communities are integrated into the life of the nation thereby enabling them to contribute fully to national progress (Biggs, 1999). It is this immediate definition of community development that situates social change and transformation within the context of development in any community setting. This is on account that, for community and social development to occur, people in a community must believe that working together can make a difference through selfreliance by organizing to address their shared needs collectively (Akinkayo and Oghenekohwo, 2004; Flora, Spears and Swanson 1992). Besides, as a social action, the change process is driven by collective action. This justified the submission of Christinson and Robinson (1989) that community and social development implies a group of people in a community reaching a decision to initiate a social action process to change their economic, social, cultural and environmental situations.

Small Scale Enterprises (SMEs) : Small scale business started gaining eminence in Nigeria in the 1970s when several individual enterprises started springing up (Osotimehin et al, 2012). The Central Bank of Nigeria in 1989 gave a guideline to financial institutions as to what a small and medium scale business should look like for the purpose of granting them credit, though commercial banks still find it difficult to grant credit facilities to the small businesses CBN opined that SMEs are those enterprises with an annual turnover that is between ₦100,000 to ₦150,000 with employees not more than 50, and asset base (excluding real estate) of not less than ₦1 million.

Small scale businesses are small in nature either in terms of the number of employees which are not more than 10 persons at most (Lawal, 1995) as cited in Iduu, (2012). Examples of small scale businesses in Nigeria may include: barbing and hair salon; electronic repair shops; business centers; welding outlet; food vendors and the likes. According to George and Oseni (2012) as cited by Barros, Ibiwoye and Managi, (2011) opined that statistics has shown that small scale businesses including large scale businesses are the biggest employers of labor in Nigeria. They are of the view that one of the most important factors militating against SSEs in the Nigerian business environment is the cost of generating electricity from personal generators because of the insufficient supply of electricity from the national grid. This has increased the cost of operation and as well as impact on the prices of goods and services they render. Thus, this has led to excessive reliance on foreign goods to meet the increasing domestic demand. Recognizing the immense contribution of the sub-sector to economic growth. Small and Medium Scale Enterprises constitute the driving force of such industrial growth and development. This is basically due to their great potentials in ensuring diversification and expansion of industrial production as well as attainment of the basic objectives of development. Small and Medium Scale Enterprises utilize local materials and technology thereby aiding the realization of the goal of self-reliance. Also government at various level (local, state and federal levels) have in one way or the other focused on the performance of Small and Medium Scale Enterprises for economic gains. While some governments had formulated policies aimed at facilitating and empowering the growth and development and performance of Small and Medium Scale Enterprises, others had focused on assisting Small and Medium Scale Enterprises to grow through effective electricity supply, soft loans and other fiscal incentives in order to enhance the socio-economic development of the economy by alleviating poverty, employment generation, enhance human development, and improved social welfare of the people (Christopoulos and Tsionas, 2004) Empirical evidences have shown that prior to late 19th century, cottage industries and mostly Small and Medium Scale Businesses contributed to the economy of the world giant like Europe and America. The industrial revolutions change the status-quo and introduced mass production. The Small and Medium Scale Enterprises development facilitate the mobilization of human and capital resources toward economic development, in general, and rural sector, in particular. They have been identified as a vehicle for employment generation and providing opportunities for entrepreneurial sourcing, training, development and empowerment (Dauda, 1997).

The role of Electricity on SMEs activities : Mayer-Tasch (2013) asserted that the most dominant use of electricity among SMEs is for lighting and communication purposes. However, SMEs, especially manufacturing ones, have other major uses of electricity ranging from production and storage to powering of machines and office equipment. Within straightening and welding SMEs, electricity powers machines that aid in the production of metallic gates, canopies, scaffolds and anti-burglary devices. Sachet water producers use electricity to power machines that fill polythene bags with water, cut and then seal them. Food processing firms also use various machines that require electricity to power them for the produce to their product. Likewise, dressmakers use electricity to power machines that they use to sew dresses and shirts. The primary use of electricity within manufacturing SMEs is thus to power machines that are usually critical to their respective production process. There is symbiotic relationship between electricity and business. Energy supplies have a significant impact on economic activities (Velasquez & Pichler, 2010). In fact the manufacturing sub- sector consumes about 14% of generated electricity annually (Energy Commission, 2006).

Implicit in the above is the assumption that electricity services are stable and reliable. Irregularities in the supply of electricity is likely to undermine the impact of electrification outlined above. Unreliable supply of electricity exerts negative impacts on the productive and industrial sectors with potential negative implications on the labor market. Revenue and productivity losses to firms resulting from electricity shortages are non-trivial (Allcott et al., 2016). In response to electricity supply uncertainties, firms re-optimize production inputs by substituting materials for energy inputs or by outsourcing intermediate production to external firms (Fisher-Vanden et al., 2015). There are at least three mechanisms through which electricity shortages affect employment. i. *Firm Entry and Exit*: Persistent shortages in the supply of electricity signal high production cost and uncertainties in business climate thereby reducing the incentive(s) of potential entrepreneurs in establishing businesses. Also, existing firms may either relocate to areas with reliable access to electricity or shutdown production to avoid investment losses. Thus, pervasive outages constrain expansion in the industrial and service sectors thereby reducing labor demand and employment.

ii. Productivity Losses: Electricity shortages also impose productivity losses on firms (Allcott et al., 2016; Fisher-Vanden et al., 2015). Hence, at the margin, firms respond to these adverse productivity shocks by reducing variable

cost through job cuts or reducing wages. Under the assumption of free mobility of labor and capital, firms may choose to relocate to areas with reliable supply. However, the cost of relocation is non-trivial.

iii. *Export and Trade Competitiveness*: Export is one of the channels through which technological change affects employment, as it enables productive firms to expand their revenue through sales on foreign markets (Verhoogen, 2008; Frías et al., 2009; Hjort and Poulsen, 2017). A negative technological shock such as electricity shortages will therefore affect employment through its negative impact on productivity and cost of production of exporting firms, thereby reducing their trade competitiveness.

Review of Empirical Studies: Maleko (2005) looked at its on micro enterprises in rural areas within the Kilimanjaro region. He asserted that the availability of grid electricity services in rural areas supported the development of micro enterprises but at a slow rate. He also revealed that the structural set-up of micro-enterprises were directly affected by the arrival of electricity services and cited instances whereby mills with a diesel powered motor switched to an electrically power one. Using the descriptive research method, Adoyi and Agbo (2009) [4] employed both primary and secondary data to determine the extent to which small business firms have developed Adamawa state of Nigeria, and found that 86.3 percent of the small business firms pay their taxes regularly. These taxes increase the revenue base of the state which is used for development purposes. Akingunola (2011) assessed the specific financing options available to SMEs in Nigeria and their contribution to economic growth performance. The Spearman's Rho correlation was employed to determine the relationship between SMEs financing and investment level. At 10 percent level of significance, the Rho value of 0.643 indicated a significant and positive relationship between SMEs financing and economic growth in Nigeria. Likewise, a qualitative survey in the Kumasi metropolis by Braimah and Amponsah (2012) revealed that blackouts last about 10.3 hours in a month on average. As a result of the power outages, 44% of the 320 SMEs surveyed spent the duration of the power outage in redundancy while the remaining 56% owned alternative sources of electricity (generators) which cost Ghs 15.5 per month to run on average. The paper resolved that frequent blackouts increased the cost of production of SMEs and affected the effectiveness of meeting contract deadlines. Empirical Literature The dependency of SMEs and more importantly manufacturing SMEs, on stable supply of electricity for efficient production at cost effective levels is unequivocally sensitive. In addition, several research papers have shown that electricity supply shortage negatively affects the productivity of SMEs. Mchopa, Kazungu, Moshi (2014) in their research survey conducted in the Moshi municipality of Tanzania, revealed that power rationing resulted in a decline in SME productivity. Also, as a result of power rationing, a decline in productivity was reported to have a positive relationship with loss of income within SMEs.

Theoretical Framework

Empowerment Theory : Empowerment theory is another alternative theory of development for developing countries. The theory emerged from the need to humanise development policies and programmes. Development recognizes power as a key element for bringing about effective social change. Empowerment as a concept is seen as freedom of choice and action that increases control over the resources and decisions that affect the life of an individual. Fride (2006) sees empowerment as an increase in the resources and capability of the poor to participate, negotiate, influence, control and ultimately demand accountability from the institutions that affect their lives. This theory is concerned with the development gap between the North and South, and how best to reduce this gap. According to Brown, Medott and Hamiton (1990), Many Small firms are created as a last resort rather than as first choice and have therefore invited growth potential. Therefore, in country like Nigeria where both private and public sectors are highly complementary, the lack of government intervention in an economic activities will always constitute an impediment to Small and Medium Scale Enterprises growth.



Figure 1: Electrification project, a World Bank Assisted CSDP Project at Umumenyi and Achi- Agu communities, in Bende and Orji- River L.G.As.

III. METHODOLOGY

This section presents the design and methodology employed by the researchers for the purpose of conducting the research. This study used online sample size calculator advanced by Wimmer and Dominick (2013) with confidence level of 95% , for the selection of 426 which is assumed a manageable and representative sample size that would produce valid results because of the largeness of the population (3,328,999) . Descriptive and Inferential statistical tools were used to analyze the data. The descriptive statistics include: tables, simple percentages, while the Z-test statistics was used to determine the strength of association between the independent and the dependent variables (Electricity micro projects and employment generation level of SMEs in the south east Nigeria) and the independent variables of (International donor intervention on the activities of Community and social development projects CSDPs) in the South East States with the help of a computer programme, statistical package for social sciences (SPSS 20).

Sources and Method of Data Collection: This study used primary data sourced through administering of questionnaire. 426 questionnaires were distributed to owners of small and medium scale businesses in the selected senatorial zones of the south east states. Other sources of information used include newspapers, internet, text books, journals, magazines, seminars, report, etc.

DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

GENDER		
Gender	Frequency	Percentage %
Male	205	50.6
Female	200	49.4
Total	405	100
AGE		
Below 50	150	37
50-62	100	24.7
63-75	150	37
76 and Above	5	1.2
Total	405	100
EDUCATION		
No formal Education	50	12.3
Primary Education	200	49.4
Secondary Education	100	24.4
Post Secondary.	55	13.6
Total	405	100
MARITAL STATUS		
Single	100	24.7
Married	250	61.7
Widowed	50	12.3
Divorced	5	1.2
Total	405	100
OCCUPATION		
Sachet water making	55	13.5
welding	80	19.7
Bread & confectionarie	50	12.3
Barbring/Hair saloon	90	22.2
Comupter Bus.centers	60	15.0
Electronic Repairs	70	17.3
TOTAL	405	100

Source: Researcher's Field Survey, 2019

Descriptive Statistics on the CSDP Intervention on Electricity Impact on the employment generation of Small scale business among the rural dwellers. The demographic characteristics of the respondents are presented in Table 1. The Table revealed that 49.4% of the respondents were females, while 50.6 % were males. The implication is that though the opinion of both sexes were sampled, but males predominated. The results shows that greater proportion

CSDP and Electricity supply	Strongly Agree		Agree		Not Sure		Disagree		Strongly Disagree		TOTAL	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Elec1	60	14.8	250	61.7	30	7.4	40	9.9	25	6.2	405	100
Elec2	50	12.3	210	51.9	60	14.8	55	13.6	30	7.4	405	100
Elec3	100	24.7	200	49.4	50	12.3	30	7.4	25	6.2	405	100
Elec4	50	12.3	220	54.3	70	17.3	40	9.9	25	6.2	405	100
Average	65	16.0	220	34.3	53	13.1	41	10.1	26	6.4	405	100

(37%) of the respondents were below the age of 50 years and 63-75. While 24.7% were within the ages of 50-62 years and 1.2% were above 76 years of age. This implies that most of the respondents, mainly middle aged people and the elderly permanently resides in their rural communities. The table also revealed that 12.3 percent of the total respondents have no formal education, 49.4 percent of the total respondents have primary education. 24.7 percent of the total respondents have secondary education. While 13.6 percent of the total respondents have post-secondary education. Also, 24.7 percent of the total respondents are single. 61.7 percent of the total respondents are married, 12.3 percent of the total respondents are widowed. While 1.2 percent of the total respondents are divorced. The table also revealed that 55 respondents, representing 13.5 percent of the total respondents are satchet water making. 80 respondents representing 19.7 percent of the total respondents are welders. While 50 respondents representing 12.3 percent of the total respondents are into Bread and confectionaries. 90 respondents representing 22.2 percent of the total respondents are computer and business center operators. While 70 respondents representing 17.3 percent of the total respondents are into Electronic repairs. Descriptive Statistics on the CSDP Intervention on Electricity Impact on the employment generation of Small scale business among the rural dwellers.

Source: Researcher's Field Survey, 2019.

Elec 1= CSDP electricity supply and enhancement of small scale businesses in the rural communities.

Elec2 = Electricity intervention programme of the CSDP and the production of the small-scale businesses in the rural communities

Elec3= CSDP electricity projects and increase of number of SME's in the rural communities

Elec4 = CSDP intervention on power supply and enhanced production of goods and services and employment of the rural dwellers.

The analysis in table 4.10 shows that on Elec1, CSDP intervention on electricity has improved access to adequate electric power supply for the small scale businesses in the rural communities, 60 (14.8%) strongly agreed, 250 (61.7%) agreed, 30 (7.4%) of the respondents were not sure, while 40 (9.9%) and 25 (6.2%) of the respondents disagree and strongly disagree. Elec2, Electricity intervention programme of the CSDP has enhanced the production of the small-scale businesses in the rural communities shows that 50 (12.3%) of the respondents strongly agreed, 210 (51.9%) agreed, 60 (14.8%) of the respondents were not sure, while 55 (13.6%) and 30 (7.4%) of the respondents disagreed and strongly disagreed. Elec3. CSDP intervention programme on electricity has increased the number of SME's in the rural communities shows that 100 (24.7%) of the respondents strongly agree, 200 (49.4%) agreed, 50 (12.3%) of the respondents were not sure, while 30 (7.4%) and 25 (6.2%) of the respondents disagreed and strongly disagreed. On Elec. 4, CSDP intervention on power supply and enhancement of production of goods and services on the rural dwellers shows that 50 (12.3%) of the respondents strongly

agreed, 220 (54.3%) agreed, 70 (17.3%) of the respondents were not sure, while 40 (9.9%) and 25 (6.2%) of the respondents disagreed and strongly disagreed.

On the average, 285 (70.3 %) of the respondents strongly agreed and agreed that CSDP intervention on Electricity impacted on the employment generation of small scale businesses among the rural dwellers, 67 (16.4%) of the respondents disagree and strongly disagree. This means that CSDP Intervention on Electricity impacted on the employment generation of Small scale business among the rural dwellers

Test of Hypotheses

Table. 4.13 Test of Hypotheses One-Sample Kolmogorov-Smirnov Test for CSDP projects and Community and Social development.

Table 2
Z-Test on CSDP Electricity projects and Employment Generation of Small Scale Businesses.

CSDP intervention on electricity impact on the employment generation of small scale businesses among the rural dwellers		
N		405
Normal Parameters ^{a,b}	Mean	3.6346
	Std. Deviation	1.06928
Most Extreme Differences	Absolute	.337
	Positive	.206
	Negative	-.337
Kolmogorov-Smirnov Z		6.791
Asymp. Sig. (2-tailed)		.000

Source: SPSS version 20.0.

Test of Hypothesis Three : H_0 : CSDP Micro Electricity project intervention has not enhanced the employment generation of small businesses amongst the rural people of the South East States.

H_1 : CSDP Micro Electricity project intervention has positively enhanced the employment generation of small businesses amongst the rural people of the South East States.

Decision Rule

If calculated Z-value is greater than the critical Z-value (ie $Z_{cal} \geq Z_{critical}$), reject the null hypothesis and accept the alternate hypothesis accordingly.

Result.

With Kolmogoro- Smirnon Z-value of 7.051 and Asymp. Significance of 0.000, the responses from the respondents and displayed in the table is normally distributed. This affirms the assertion that CSDP Micro Electricity project intervention has significantly enhanced the employment generation of small businesses amongst the rural people of the South East States.

Decision

Furthermore, comparing the calculated Z-value of 7.051 against the critical Z- value of 1.96 (2 tailed test at 95% level of confidence) the null hypothesis was no accepted. Thus the alternate hypothesis was accepted which states that CSDP Micro Electricity project intervention has positively enhanced the employment generation of small businesses amongst the rural people of the South East States.

IV. DISCUSSION OF FINDINGS

The variable on CSDP electricity projects and employment generation. The research results found that the CSDP electricity has a positive significant effect on employment for small businesses. The study confirmed this, through the comparison of the finding with empirical review. The evidence is shown in the calculated value ($z = 6.791$,

Sig. value = .000 < 0.05). and also in (Appendix I and ii). A prior study by Modi and Adamu (2016) on the impact of power (electricity) supply on the performance of small and medium scale enterprises in Adamawa state. Result showed that power electricity supply has a positive impact on the performance of small and medium scale enterprises. Findings from the study areas, it was revealed by the interviewees that foreign aid is an essential ingredient to the process of development in their locality and an interviewee who was also one of the community leaders stated thus: "Since the projects were completed, things have changed very well here. We now have barbers, welders, many shops and retail outlets, increasing population, and many more. Our road is now accessible and the poor economic and social status of our community has changed for the better.... In fact, the community has witnessed socioeconomic development. Foreign aid intervention has contributed to the development of our community . (Emmanuel, male, 56 years, and community project chairman, Ndufu Echara community, Ishielu LGA, 2015). Another interviewee also attested the above interviewee thus: "Electrification, construction of Health centers were the projects carried out in our community.... Immediately there was power supply and our health centers became accessible, more people moved to the area, the population increased, more shops were opened for improved economic activities, standard of living improved and there is economic development (Udoka, Male, 42 years, resident of Amankpunato community, Oji River LGA, 2016).

Also Nyanzu and Adarkwah, (2016) in their study on the effect of Power Supply on the performance of Small and Medium Size Enterprises. The results showed that, the presence of power outages and the number of times power outages experienced and hours of power outages negatively affected firms performance (profitability). In addition, it was further realized that power outages (power interruptions) severely affects SMEs located in the Northern part of Ghana than elsewhere. Eze (2018) in her study of the impact of electricity power supply on the performance of small and medium scale enterprise (smses) in Nigeria (1980 – 2014). Also found out that a unit change in Electricity Power Supply has a positive impact on the output of small and medium scale Enterprise.

V. CONCLUSION AND RECOMMENDATIONS

The study has once again justified the capacity of community driven development (CDD) interventions to exclude rural dweller from poverty and get them included into the mainstream of economic and social development. Given the challenges of under-development in rural south east states Nigeria, CSDP response is seen as an instrument and process of inclusion into the development process through engagement, empowerment and sharing of experience that must be evident in the attainment and sustenance of the variants of the social-well-being in an all-inclusive society especially in a country like Nigeria where majority of youths are unemployed. it is also, expected that availability of electricity will encourage the establishment of many more small and medium scale businesses. Constant or stable power supply will ensure more employment opportunities and good return on investment to ensure improved standard of living amongst the populace. Based on the findings, the following recommendations were made: The authority should make power supply i.e. electricity very stable because many lives depend on it for survival and it is the life-wire of businesses especially the small and medium scale businesses in Nigeria, in general and especially to the rural people of the south east. The government should implement policies and program such as power mix approach and renewable energy to mitigate against the poor electricity supply. This will help solve some of the woes of profit loss to the firms through power outages effect. In addition, government can create the environment to enhance private sector participation in the power sector to boost competition and efficiency in the supply of power for the firms. This will in no small way contribute to employment creation by the SMEs in the long run.

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