

IMPLICATIONS OF ECONOMIC FACTORS ON SMALL SCALE

BUSINESS PERFORMANCE IN NIGERIA: 1970 -2013

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ABSTRACT

The study was designed to examine the effect of economic environmental factors on small scale business performance in Nigeria. The review of literature brought to limelight the effect of economic factors on small scale businesses. The study employed quantitative research design of which secondary data were collected from Central Bank of Nigeria Statistical Bulletin and Federal Office of Statistics for the period of 1970-2013. Data collected were estimated using regression models via (SPSS) of which Ordinary Least Square (OLS) formed the basis for estimation. The study found that high Inflation rate, Exchange rate, Government Tax Revenue, External Finances and interest rate as economic indices have a significant effect on the performance of small scale businesses in Nigeria and therefore concludes that the federal government should come up with stringent policy and regulations that would maintain a fixed exchange rate, interest rate, and low inflation that create enabling environment that could enhance the activities of small scale businesses in Nigeria. From the foregoing, the study recommends that the government should through the relevant agencies look into the key sectors of the economy and creates a sustained framework that would stabilize the economy in order to enhance the performance of small scale businesses in Nigeria.

KEYWORDS: Economic Factors, Small Scale