

POWER SUPPLY AND ENTREPRENEURIAL DEVELOPMENT IN RURAL NIGERIA: IMPLICATIONS FOR SUSTAINABLE TRANSFORMATION

Atoyebi, T. A

Department of Sociology
Bowen University
Iwo, Osun State, Nigeria.
timothyatoyebi@yahoo.com

Owoeye, M. O

Department of Sociology
Bowen University
Iwo, Osun State, Nigeria
olumideowoeye@yahoo.com

Ogunlusi, O

Department of Business Administration
Bowen University,
Iwo, Osun State, Nigeria.

Johnson, A.A.

Department of Sociology
Bowen University
Iwo, Osun State, Nigeria

ABSTRACT

Within the Nigerian context, it is worrisome to notice the way people make derogatory comments about Power Holdings Company of Nigeria (PHCN) formerly NEPA. This is due to the unabated epileptic power (electric) delivery, which is seen as one of the major problems facing the Nigerian economy. For the past two decades, successive governments in Nigeria have made serious attempts to address the issues of power (electric) supply. Several studies have been conducted on power supply, without any serious attention on the relationship between power supply and entrepreneurial development especially in Nigerian rural communities. This study therefore examined the problem of power supply and its effects on apprenticeship. Through a combination of quantitative and qualitative research methods, the study examined the problems encountered by rural entrepreneurs due to epileptic power supply and the coping strategies they adopted. The study also established that apart from the serious devastating effect on SMEs in rural communities, power supply has seriously affected apprenticeship. The study concludes, that government must invest more in electricity power generation and ensures that the SMEs in rural areas is given a higher priority in the supply of electricity if the goal of sustainable transformation is to be achieved.

INTRODUCTION

In Nigeria, it is worrisome to notice the way people make derogatory comments about Power Holdings Company of Nigeria (PHCN) formerly NEPA. This is due to the unabated epileptic power (electric) delivery, which is seen as one of the major problems facing the Nigerian economy. For the past two decades, successive governments in Nigeria have made serious attempts to address the issues of epileptic power (electric) supply. Several studies have been conducted on epileptic power supply, without any serious attention on the

relationship between epileptic power supply and entrepreneurial development especially in Nigerian rural communities (Ribadu, 2012).

Statistics have also shown that small and Medium Scale Enterprises (SMEs) are the highest employers of labour in Nigeria (Barros, Ibiwoye and Managi, 2011). Unfortunately, one of the major challenges of SMEs in Nigeria is the high cost of electricity generation, especially from private electricity power generators (Aremu and Adeyemi, 2011). Consequently, the SMEs and other micro-businesses such as barbing, hair salon, electronics repairs, business centres, welding, vulcanizing, etc, have been negatively affected. In fact, there is almost no other sector that this ineptitude does not impact indirectly (Akuru and Okoro, 2009).

In this light, it is important to investigate the relationship between power supply and entrepreneurial development especially in Nigerian rural communities.

Statement of the Problem

A number of authors have examined the issue of epileptic power supply in Nigeria. For example, Ayodele (2001) focused on improving and sustaining electricity power supply for socio-economic development and his study found out that the development of Nigerian economy as an emerging market is technically a function of adequate provision and supply of electricity power. Similarly, a research by Okafor (2008) on development and distribution causes a major setback for the Nigeria's industrial development. Also, Asaolu and Oladele (2006) focused on public enterprise and privatization policy in Nigeria's economy, found out that infrastructural decay is the major problem confronting Nigeria and that electricity generation is one of the causes of the infrastructural decay in Nigeria.

Ibitoye and Adenikinju (2007) put the electricity demand of Nigeria at about 18, 0000 MW, while the total installed capacity is 6,500MW. PHCN generated 69.3% from gas, 0.5% from coal and 30.2% from hydro plants located across the country. However due to poor infrastructure and losses, only 3,500MW was in operation in 2010. This mean there is a huge gap between supply and demand. As a consequence of this gap Nigerians have to suffer power cut. However, energy was increased to 2948MW in the mid-80s to late 90s before it jumped sharply to 5958MW in 2000 with electricity tariff at N12.50 per kWh is extremely costly for the Nigerian standard which has an average monthly earnings of N18,000 (CBN, 2011, NEPA, 2001 in Audu and Apere, 2013). This led to the Electricity Power Sector Reform (EPSR) in 2005 with the view of making private sector the major engine of growth as well as reintegrate Nigeria into the global economy as a platform to attract foreign direct investment (FDI) in an open transparent manner. This metamorphosed into the repeal of the NEPA Act and its restructuring. This gave birth to Nigerian Electricity Regulatory Commission (NERC), Rural Electricity Agency (REA) and the National Electricity Management Company (NEMNCO) to manage the residual assets and liability of the defunct NEPA. This gave birth to a company called Power Holding Company of Nigeria (PHCN) all in 2006. These efforts led to an increase in power generation of 7042MW between 2001 and 2008 yet it was far below the net demand of 10000MW and the performance is unsatisfactory as it continues to loss 50% of its production as unmetered consumption (Audu and Apere, (2013).

In the same vein, Rabi (2009) focused on cost of electricity in Nigeria and observed that for three decades, inadequate access to electricity supply remain a big challenge to the Nigeria economy. Epileptic power supply has been the major reason cited by many of the multinationals (Michelin, Dunlop Plc, Volkswagen Plc, PZ, Unilever) that have either closed down or wounded up their operations in Nigeria. This has further worsened the level of unemployment in the country (National Technical Working Group on Employment, 2009).

For instance, the exit of Michelin from Nigeria costs the economy 1,300 direct jobs. Similarly, in a study on youth unemployment in Nigeria, Kakwagh and Ikwuba (2010) identified increasing population, high degree of geographical mobility, lack of employable skills, and non-involvement of youth in decision making processes as major causes of youth unemployment. The study however fails to recognize the inadequate provision of electricity as one of the causes of unemployment in Nigeria.

Small and medium enterprises all over the world have been recognized for the contributions they make to the growth and development of their countries' economies. However, over the years the fortunes of these enterprises have dwindled in Nigeria especially in the Southwest. In fact, some authors have observed that this situation may in no future distant lead to the total extinction of Small and medium enterprises if the prevailing conditions in this sector persists (Afolabi and Gibbs, 1986; Kilbly, 1988; Mohammed, 2006). Infact, Kilbly

(1988) in his study particularly emphasized that about seventy per cent (70%) of Small and medium enterprises in his study area die within five years of their establishment due to epileptic power supply. In other words, epileptic power supply in Nigeria is a serious problem that requires urgent empirical study.

Hence, this study is set out to investigate epileptic power supply and coping strategies of small scale entrepreneurs especially in a semi-rural community such as Iwo.

OBJECTIVE OF STUDY

Specifically, the study examined the following objectives:

1. Perception of entrepreneurs about the epileptic power supply in Iwo community.
2. Problems encountered by entrepreneurs as a result of epileptic power supply in Iwo community.
3. Coping strategies adopted by entrepreneurs in Iwo community.
4. Effect of epileptic power supply on apprenticeship in Iwo community.

LITERATURE REVIEW

According to extant literature, the definitions of SMEs vary in different economies but the underlying concept is the same. Ayaggari et.al (2003) and Buckley (1989) argues that the definition of small and medium scale enterprises varies according to context, author and countries. In a country such as USA, Britain and Canada, small scale business is defined in terms of annual turnover and the number of paid employees (Ekpeyong and Nyang, 1992). The Central Bank of Nigeria emphasizes that small scale industry as those enterprises which has annual turnover not exceeding 500,000 naira (CBN, 1988). Similarly in 1990, the Federal Government of Nigeria defined small scale enterprises for the purpose of commercial bank loans as those enterprises whose annual turnover does not exceed 500,000 thousand naira and for merchant bank loan those enterprises with capital investment not exceeding 2 million naira (excluding the cost of land) or a minimum of 5 million naira (World Bank 1993).

Ogechukwu (2006) however argues that in the wake of SFEM and SAP era in 1993, this value has now been reviewed and subsequently, increased to five million naira. Since this happened, there may be a need to classify the small scale industry into micro and super-micro businesses, with an intention of providing adequate incentives and protection for the former. In that context, any business or enterprise below the upper limit of N250, 000 and whose annual turnover exceeds that of a cottage industry, currently put at N5, 000 per annum is a Small scale industry.

The National Directorate of Employment (NDE) concept of a Small scale industry has been fixed to a maximum of N35, 000. In other words a business unit of not less than \$240 dollar is classified as a Small scale business in Nigeria. This situation may however not be the same in other countries, but that classification may be useful in other developing countries, because of the low capacity of their Small scale industries (Hoffman, 2005).

There are so many small scale business units in Nigeria which falls within this range and most of them are in the commercial sector. However, a common trend in Nigeria today is the deliberate classification of service provider, hotels, fast food and restaurants as small scale enterprises.

THEORETICAL/CONCEPTUAL FRAMEWORK OF ANALYSIS

The Concept of Rural Development

The concept of rural development which has defied easy definition has received a great deal of attention both in the international and national development plans (Lele, 1975). Several scholars have attempted to define rural development. As far back as three decades ago, Mabogunje (1981) defined rural development as the improvement of the living standard of low income population living in rural areas, on a self-sustaining basis, through the transformation of the socio-spatial structure of their productive activities.

William (1978) defined rural development as the generation of new employment, more equitable access to arable land, equitable distribution of housing, maintenance of law and order, creation of incentives and opportunities for saving, credit and investment. Ekong (2003) reviewing the report of a sub-regional workshop on rural development in Africa defines rural development as "a process by which a set of technical, social, cultural and institutional measures are implemented with and for the inhabitants of rural areas with the aim of improving the socio-economic conditions in order to achieve harmony and balance both on the regional and national level".

A similar conference on Regional Planning and Economic Development in Africa held at Ibadan defined rural development as "the outcome of a series of quantitative and qualitative changes occurring among a given rural population and whose converging effects indicate, in time, a rise in the standard of living and favourable changes in the way of life of the people concerned. It does not mean isolated programmes of 'community development', 'health and nutrition extension' or any of the other terms applied to sectorial programmes which are carried out in the rural areas or within the rural community. It means rather, a comprehensive development of the rural areas". The conference placed emphasis on the subject of "integrated rural development" which presupposes the recognition of a rural-urban continuum and the implication that the rural area cannot be considered in isolation but in relation to the urban counterpart, for it is in this sense that the problems of rural-urban migration, rural exodus and agricultural and industrial development can be tackled.

Kumar (1979) defines rural development as a comprehensive mode of social transformation which recognizes that national development, must involve all the element of the population. He further states that rural development is a socio-economic process which seeks to bring about a more equitable distribution of resources and income within a society. Following the same trend of thought, Oni (1990) viewed rural development as a concept for planning and executing changes in the rural areas with the aim of reducing or eradicating rural poverty. It is usually with a view to offering fundamental changes in the living conditions of the rural dwellers to enable them participate actively in the socio-economic and political development of the nation.

The European Network for Rural Development (2007) emphasized that investing in human capital and skills is crucial to exploiting opportunities for growth and employment in rural areas. These factors cut across the full range of rural development activities as they can contribute to:

- ❖ helping people adapt to a more market oriented agriculture
- ❖ promoting new ways of selling/dealing with risk in competitive markets
- ❖ raising economic and employment activity rates
- ❖ encouraging development of micro-businesses
- ❖ facilitating innovation and research and development take-up
- ❖ fostering dynamic entrepreneurship
- ❖ improving management of processes in the agricultural-food chain
- ❖ encouraging the take-up and use of ICT
- ❖ Making use of opportunities from improved local infrastructure, and environmental land management.

Ogwumike (1995) pointed out that the concept of rural development emphasizes any conscious effort by the government and the community with the aim of enhancing the level of living in the rural sector. He further states that rural development aimed at poverty alleviation should be directed at producing food, shelter and infrastructure such as potable water, electricity, roads, markets, recreational centres, amongst others, to the rural populace.

Mwabu and Thorbeck (2001) emphasized that rural development usually encourage diversification, which in turn will stabilize incomes and eventually alleviate rural poverty. In the same vein, Awoyemi (2005) argued that what should be the centrepiece of rural development thinking in Nigeria are the provision of infrastructures and the creation of the facilitating environment that encourages the flourishing of non-farm rural activities, such Small scale enterprises.

Ekong (2003) concluded that the objectives of rural development in Nigeria before political independence did not include self-reliance and participation in social and political development but rather emphasized economic participation at the micro-level and changes in rural attitudes which entailed the relegation of indigenous values and the adoption of western technology, value systems and consumption patterns. He further emphasized that after the attainment of political independence, the concept of rural development was reconsidered and subsequently the concept of "integration" was introduced into the term. The concept entails amongst other thing that effective programme of development be judged by the number and distribution of people directly benefiting from such programmes.

From the various viewpoints and definitions of rural development, it is apparent that efforts geared towards rural transformation and development will include among other things, the formulation and implementation of policies that will encourage and promote the well-being of rural dwellers, as well as ensure that they actively participate in the socio-economic development of the nation. As a matter of fact, if all these

are absent, it will amount to rural under development, and the absence of rural development will further lead to sharp differences in social development existing between the urban and rural sectors. These differences will further lead to the migration of able-bodied young people from rural areas to the urban centres. The resultant effect is the aggravation of the problems of unemployment or under-employment, over population, air and water pollution in the urban centres.

In conclusion, any meaningful rural development programmes will not only enhance the overall well-being of the rural populace, it will also help to accelerate the pace of economic and social development of both rural and urban sectors.

Problems of Small Businesses in Nigeria

According to Gupta (2003), while small scale entrepreneurs can set up a business with less capital, enjoy quick returns and can be flexible in handling the vagaries of the market, they face some problems such as

1. **Paucity of Finance:** The small entrepreneurs possess a weak financial structure and find it extremely difficult to obtain credit because of lack of collateral security. This acts as a big handicap, especially in the initial stages, in most of their operations like their ability to hire the best workers or to purchase the latest machinery and equipment or to acquire sophisticated technology.
2. **Poor availability of power and other infrastructure:** Though infrastructural bottlenecks are problems for big businesses too, yet they can overcome these problems to some extent because of their financial strength e.g. generating their own power, or even influencing the government in framing its policies sometimes. The small entrepreneur on the other hand has to battle with them.
3. **Obsolete Technology:** Most small businesses use old technologies because they cannot afford better. As a result the quality of their goods is inferior and the cost of production is higher than in case of other big ventures. This has acted as a serious handicap especially after opening up of the economy when they have had to compete with imported goods.
4. **Marketing Problems:** The small entrepreneur cannot supply standardized goods of high quality and as a result cannot compete with products of big companies. They usually do not have a brand name or royalty, as there are hardly any funds for advertising or sales promotion.
5. **Poor Managerial and Organizational Skills:** usually the entrepreneur has to perform a multitude of diverse functions invariably without having any exposure to professional education or formal training. The large sector on the other hand can hire the best qualified and trained people.
6. **High Incidence of Sickness:** seven out of ten small businesses usually die within three to five years of their establishment. Reasons for this include among others poor managerial skills, lack of experience, poor quality of products. Apart from the above-mentioned problems the small scale entrepreneur has weak bargaining power to deal with suppliers and financial institutions, to face bureaucratic red tapism and is unable to invest in research.

Power Supply and Small and Medium Scale Enterprises in Nigeria

The SMEs and micro-businesses such as barbing and hair salons, electronic repairs, business centers, welding, vulcanizing, etc, cannot run profitably on power generating sets in a highly competitive and open economy like Nigeria because of the high costs of fuel and maintenance. It has been observed that the power generating sets which have now become the primary source of electricity supply to small scale enterprises ought to serve as backups in the event of disruption from national sources but unfortunately the so called backups are now serving as the primary source. Power supply has the potential of increasing the cost of production and subsequently affects the prices of goods (Okereke, 2010).

As emphasized above a number of SMEs in Nigeria depend largely on electricity power to operate. In a recent study, Barros, Ibiwoye and Managi (2011) posit that Nigerian economy is characterized by informal sector which rely heavily on electricity power to operate. This is due to the failure of our PHCN to provide stable and adequate power supply, hence alternative though expensive private arrangements have to be made by those companies and SMEs that want to remain functional and productive. Entrepreneurs who could not cope with the expensive alternatives have no other choice than to seek alternative means of livelihood.

Power Supply and Its Implications for Sustainable Development

The epileptic nature of our electricity supply has serious implications on the economy of most developing countries. For example, some manufacturing firms in Nigeria spend close to 90% of their variable cost on power generation (Lee and Anas, 1992).

As far back as two decades ago, World Bank (1993) conducted a study on the adaptive cost of electricity failure in Nigeria and it was put at USD380million. Also the estimate of National Electric Power Authority (NEPA) now Power Holding Company of Nigeria (PHCN) revenue lost to unsupplied consumer energy was put at USD140million. However, the short term losses incurred by consumers such as raw materials and equipment losses is cannot be estimated (World Bank, 1993). Also, the study further emphasized that only 34% of Nigeria's population have access to the public power supply, and this is always in short supply to the household and manufacturing subsector of the economy.

For any meaningful industrialization process to take place in any economy, electricity supply must remain a constant element of the process. According to Odell (1995), it is important for Nigeria to have a good energy sector if the goal of socio-economic development or sustainable development is to be realised.

Epileptic power supply has great implications on the economy of Nigeria. First, due to the inadequate and irregular power supply coupled with inadequate government spending on capital goods, manufacturers have shifted their attention towards alternative source of power supply in the country. This development has continually led to an increased in the cost of production and in the prices of goods and services. Secondly, the reduction on manufacturing productivity due to inadequate and irregular power supply will automatically discourage export of domestic goods. Since manufacturers are running a generator economy, prices of domestic goods relatively becomes higher than foreign goods. This can lead to unfavourable balance of payment showing excess of import over export, as well as reduction in the country's foreign reserves (Ndebbio, 2006).

In other to capture the seriousness of the matter and present a scope on the economic consequences of constant power outages, recent developments have shown that some companies in Nigeria have relocated elsewhere, especially to neighbouring countries, where power is constant. Most of these companies have to grapple with the heavy costs of installation and maintenance of infrastructural facilities in Nigeria and this has led to a situation where some of these companies either relocated or closed down completely. Example of such companies includes Dunlop Nigeria plc and Michelin. This situation has worsened Nigeria's growing unemployment rate.

RESEARCH METHODOLOGY

The study was conducted in Iwo community in Osun state, Nigeria. The population of Iwo local government is put at 191,348 (NPC, 2006). Most of the people who reside in Iwo engage in small scale businesses, while some are farmers.

The study population was small scale entrepreneurs in barbing salon, hair dressing salon and welding establishments and their apprentices in Iwo community of Osun state. Males and Females of different social and economic background were selected.

The study adopted a combination of both quantitative and qualitative methods of data collection. Using multi stage sampling techniques, Iwo community was clustered into north, south, east and west and 120 questionnaires were administered in the four regions but only 100 questionnaires were obtained for analysis. A purposive sampling technique was used select 10 apprentices for in-depth interview. Data collected from quantitative technique was analyzed with the aid of descriptive tools, while qualitative data collected was subsequently analyzed with the use of content analysis.

RESULTS AND DISCUSSIONS

From the table 1 above, 32% of the respondents are barbers, 20% of the respondents are hair dressers, 18% of the respondents have frozen foods store and 30% of the respondents are welders. Also, the table 1, above shows the sex distribution of respondents. Seventy-eight (78%) were male while twenty-two (22%) were female. This result shows that males are more than female. Also, the age distribution of respondents presented above shows that 16% were between the age bracket of (18-24), 27% were between the age bracket of (25-30), 51% were between the age bracket of (31-49) while 6% were within the age bracket of (50 and above). This result shows that people within the age bracket of (31-49) formed the highest number of entrepreneurs in Iwo community. The distribution of the respondents according to marital status shows that 18% of the population were single, 79% were married, while 3% were divorced. From this analysis it shows that majority of the entrepreneurs in Iwo community are married. Also, the distribution of respondents according to their educational background revealed that 26% of the respondents have primary education, 59% have secondary education, and 15% have Post-secondary education. This shows that majority of the entrepreneurs in Iwo community are literate.

On the amount earned daily, 24% of the respondents earned a daily income of below #1000, 47% earned within #1001-#4000, while 29% of the respondents earned a daily income within the cash frame of #4001- and above. From this we can denote that majority of the respondents in Iwo community earn a daily income within the amount of #1001- #4000. The study showed that the respondents are into the following power driven enterprise: Barbing salon (32%); hair dressing salon (20%); frozen food (18%) and welding business (30%).

Perception of Entrepreneurs about Power Supply

Data from table 2, 21% of the respondents said that electricity supply in the community is regular, while 79% said that the supply of electricity in the community is irregular. From the analysis above, it shows that the electricity supply in Iwo community is extremely poor. Findings from table 2, also showed that 7% of the respondents power supply had low cost effect on goods and services, while 22% said power supply had moderate effect on cost of goods and services in Iwo community. Majority 71% of the respondents (see table 2) were of the view that power supply had high cost implication on goods and services in the community. From table 2, above result, it shows that power supply really affects goods and services in Iwo community.

Problems Encountered by Entrepreneurs Due to Power Supply

Data presented in table 2, showed that majority of the respondents 97% (entrepreneurs) admitted they experience epileptic power supply due to empty promises made by the government and the increase in price of fuel which they cannot afford. Also, majority of the entrepreneurs (78%) in the study area encountered difficulties in expanding their businesses due to epileptic power supply in the community. Furthermore, majority of the entrepreneurs (88%) encountered difficulties in making profit (see table 2). This is because they experience poor sales in their businesses due to epileptic power supply. Also, 69% of the respondents (entrepreneurs) said motivation to work is very poor, while 31% said motivation towards work is not poor (see table 2). From this, we can infer that in Iwo community, motivation to work is poor due to the epileptic supply of electricity.

Also, 77% of the respondents said it is hard to meet up with the demands of customers due to power problem, while 23% said it is not hard (see table 2). From this analysis, it can be concluded that it is hard for entrepreneurs in Iwo community to meet up with the demands of their customers due to the epileptic power supply.

Furthermore, 87% of the respondents said that epileptic power supply reduces the quality of the services they render to their customers. While 13% said epileptic power supply does not affect the services they render (see table 2). From the explanation above, it can be concluded that epileptic power supply affects the quality of services entrepreneurs in Iwo community render to their customers.

Coping Strategies Adopted by Entrepreneurs

In another finding, 35% of the respondents in Iwo community buy generators in order to aid their services to their customers, while 65% venture into other businesses. It is obvious that majority of entrepreneurs in Iwo community are venturing into other businesses like motorcycle business due to the poor condition of electricity in the community.

In addition, 15% of the respondents intend moving to other communities that has better power supply than Iwo community, 55% are still bent on staying in the community no matter what happens, while 30% of the respondents have been indecisive about the situation.

Also, finding revealed that 42% of the respondents have decided to quit their various businesses and move into salary paying jobs, 23% are still bent on the continual of their various businesses while 35% were indecisive about the situation. From the statement above, it can be concluded that majority of the entrepreneurs in Iwo community has decided to move into salary paying jobs due to the epileptic power supply situation in the community.

Effect of Power Supply on Apprenticeship

All the respondents concluded that power supply had effect on the training of apprenticeship. Particularly since most of the respondents have gadget powered by electricity in their various workshops which are used to train their apprentices. The number of apprentices have radically reduced and has subsequently affected the business output.

According to some respondents the epileptic supply of electricity has reduced the learning abilities of apprentice and also incapacitated those presently learning. Here a comment from one of the apprentice:
I am an apprentice working with Olaoluwa business centre, we have numerous computers but i have not been able to get access to operate them since two months ago when I enrolled because power comes sometimes once in three weeks and that once will be for some minutes and disappears in fact majority of the people learning have left and ventured into other businesses (IDI,20,male ,Iwo, April 2013)

Here is the view of another apprentice on learning with the instrument that requires electricity?

"Our oga teaches us how to use sewing machines so we are able to sew well but the machines for embroideries that requires light for usage has been covered for months in our shop due to absence of electricity and we must learn how to use it before we can be given freedom to be on our own. This increases our year of learning which normally is meant to be for two years and also makes us unable to learn new styles because we do not have light to operate the machine we need in learning them (IDI,19,female ,Iwo, April 2013)

From the results obtained from the respondents, it was discovered that most trainees do not want to learn one trade or the other again because the world is getting more civilized and the requirements for joining most trade is also becoming more complex. To be a successful entrepreneur, one must be up to date by understanding the latest instruments required in their businesses. Most of these technologies require constant supply of electricity. Unfortunately, the unstable nature of power supply in Iwo community has affected most of the apprentices who are presently involved in vocational training. Consequently, a number of them who could not endure have move to other activities like motorcycle business where they can get access to daily income with less stress.

CONCLUSIONS

Based on the findings of this study, small scale enterprises are fundamental to the development of our economy and stable powers supply is the only means of achieving this laudable goal. As a matter of fact, stable power supply will aid profit making and business expansion for entrepreneurs. However, it is practically difficult to make profit with epileptic supply of electricity. This is to say that constant or regular power supply is a must if our SMEs must survive and entrepreneurs and apprentices will be encouraged. Otherwise the goal of sustainable development will be a mirage.

REFERENCES

- Adenikinju, A.F. (2003). Electric infrastructure failures in Nigeria: a survey-based analysis On the costs and adjustment responses, in *Energy Policy*, vol. 31, issue 14, November 2003, pp. 1519.
- Ayodele, A.S. (2001). Improving and sustaining power (electricity) supply for socio- economic development in Nigeria owe-01-3 pdf.
- Asaolu, T.O. and Oladele, P.O: (2006). Public enterprises and privatization policy: the Nigerian experience in Nigerian economy.
- Akuru, B, and Okoro, I, (2009), Sustainable application of solar energy as SMEs in a Developing nation, *African Journal of Physics* Vol. 2, pp. 184- 209, ISSN:1948- 0229 CD ROM: 1948-0245 ONLINE: 1948-0237.
- Anyanwu, M, (2001), Financing and promoting small-scale industries: concepts, issues and prospects, being the Publication of the launching ceremony of the Small and Medium Industries Equity Investment Scheme at Nicon Hilton Hotel, Abuja on 21st August, 2001. Volume 25, No. 3; July/September 2001.
- Audu, N. P. and Apere, O. The Dynamics of Demand and Supply of Electricity in Nigeria. ISSN 2225-0565, Vol.3, No.3, www.iise.org
- Ayyagari, M, Beck, T, and Demirgüç-Kunt, A, (2003), Small & Medium Enterprises across the Globe: a new database, World Bank working paper.
- Awoyemi, T.T. 2005. "Determinants of Individual Participation in Non-farm activities in Rural Nigeria: A multinomial logit Analysis". *Bowen Journal of Agriculture*, Vol.2(1)
- Barros, C.P, Ibiwoye, A and Managi, S. (2011). Nigeria' power sector analysis of productivity, School of economics and management, technical University of Lisbon.
- Beck, T, and Demirgüç-Kunt, A. (2004). SMEs, growth & poverty, World Bank, Public policy for the private sector, Pp 268.
- David, S.N. (2006), *Small Business Management and Entrepreneurship*, Pg 6 5th Edition.
- Elthan, W (1995), *An introduction to economics*, London prentice hall. Facts about SMEs. Google and Wikipedia.
- European Network for Rural Development (2007) "Rural development policy 2007-2013" In EU Council Regulation (EC) No. 1698/2005.
- Ekong, E. E. 2003. "Rural- Urban Differences in Nigeria" in *Rural Sociology: An Introduction and Analysis of Rural Nigeria*. Dove Educational Publisher, Uyo.
- Hoffman, K, (2005). Enterprise solutions to poverty, Shell Foundation.
- Ibitoye, F.A. and Adenikinju A. (2007) Future demand for electricity in Nigeria. *Applied Energy* 84, 292-504. www Science Direct.com
- Kumar, L. 1979. "Education for rural development" Broom, L. and Tomori, S. H. O. (eds) *A Handbook of Adult Education for West African*. International Bank for Reconstruction and Development" Washington, D. C.
- Lele, U. 1975. "The Design of Rural Development, lesson from African. A world Bank Research Publication. The John Hopkins University Press, Boltmore and London.
- Lee, K.S. and Anas, A. (1992); Impacts of infrastructure deficiencies on Nigerian manufacturing: Private alternatives and policy options. Infrastructure and urban development department (IUDD).
- Mabogunje, A. L. 1981. *The Process of Rural Development*. Ibadan, Ibadan University Press.
- Mayah, E. (2010), Nigeria to witness rujukiro's success story, daily sun newspaper, Saturday, October 30, 2010.
- Mambula, C, (2002), Perception of SMEs growth constraints in Nigeria (global perspective), *journal of small business management*. Retrieved from <http://www.allbusiness.com/finance/114817-1.html>
- Nwabu, G, and Thorbeck E 2001. Rural Development, Economic Growth and Poverty Reduction in Sub-Saharan Africa. Paper presented at the AERC Biannual Research Workshop December 1-6, Nairobi Kenya.
- Oboh, GAT, (2002). Bank Participation in the Promotion of Small and Medium Scale enterprises, being a paper presented at the 6th Fellows and Associates Forum of CIBN on 13th April, 2002.
- Ogwumike, F. O. 1995, "The Effects of Macro level Government Policies on Rural Development and poverty Alleviation in Nigeria". *Ibadan Journal of the Social Sciences*, University of Ibadan, Ibadan pp 85 - 100.
- Oni, S. A. 1990. "Rural Development and Economic Growth" *Daily Sketch* march 29, 1990; Ibadan.
- Okafor, E.E (2008). Development crisis of power supply and implications for industrial sector in Nigeria, *stud tribes tribals*, 6(2), 83-84.

- Okereke, O.C. (2010) An analysis of the failure of the national power project for the supply of 6000mw in December 2009.
- Odell P.R. (1995) The demand for energy in developing region. vol.3, Pp 234-254.
- Ndebbio J.E.U (2006) The structural economic dimension of underdevelopment; associated vicissitudes and imperative: agenda for positive change 33rd inaugural lecture, University of Calabar, Nigeria.
- Rabiu, A (2009). The cost of electricity in Nigeria, International association for energy economics, first quarter 15-17. Retrieved from: <http://rru.worldbank.org/PapersLinks/GlobalResults.aspx>
- Subair, K and Oke, D, (2008) privatization and trends of aggregate consumption of electricity in Nigeria, 18-27.
- Schramm, C.J, (2004), Building entrepreneurial economies, Foreign Affairs, Jul-Aug pp104-115.
- Thomas W Zimmerer, Norman M. Scarborough (2001) Essential of entrepreneur and small business management, prentice hall, 6th edition Pp 226
- Udah, EB, (2010), Industrial development, electricity crisis and economic performance in Nigeria, European Journal of Economics, Finance and Administrative Sciences, ISSN 1450-2887 Issue 18 (2010) EuroJournals, Incpp113-115.
- Ukpong, I.I, (1973), The economic consequences of electric power failures. The Nigerian journal of economic and social studies, vol.2 pp 90-120.
- William, S. K. T. 1978. Rural Development in Nigeria, University of Ife, press, Ile-Ife p 111.
- World Bank (1993) Energy sector management: assistance programme report on Nigeria (APR) working paper.

Table 1: Socio-demographic characteristics and selected variables of respondents

Variables		Percentages (N=100)
Gender	Male	78
	Female	22
Age(Years)	18-24	16
	25-30	27
	31-49	51
	50+	6
Marital Status	Single	18
	Married	79
	Divorced	3
Educational background	Primary	26
	Secondary	59
	Post-Secondary	15
Type of Enterprise	Barbing salon	32
	Hair dressing salon	20
	Frozen food	18
	Welding Business	30
Daily Income (Naira)	Below 1000	24
	1001-4000	47
	4001 and above	29

Source: field survey, 2013

Tables 2: Selected variables of respondents on power supply and production/sales of goods and services.

Variables		% (N =100)
Effect of Power supply on Cost of goods and services	Low cost	7
	Moderate cost	22
	High cost	71
Respondents View on electricity supply	Regular	21
	Irregular	79
Respondents views on Government effort on supply of electricity	Government not doing enough	97
	Government doing enough	03
Views on power supply and business expansion	Power supply affect expansion	78
	Power supply did not affect expansion	22
Views on power supply and profit making	Affect profit making	88
	Did not affect profit making	12
Views on power supply and meeting customer's demand	Affect meeting demands	77
	Did not affect meeting demands	23
View on quality of power supply and services	Power supply affect quality	87
	Power supply did not affect quality	13

Source: field survey, 2013