RESEARCH ARTICLE

Effect of Government Policies on the Growth of Micro-Enterprises in Makurdi Metropolis, Benue State, Nigeria

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Abstract: This study examined the effect of government policies on the Growth of Micro-Enterprises in Makurdi Metropolis, Benue State, Nigeria. The study focused on owners of Micro-enterprises in Makurdi Metropolis, Benue State. The study specifically examined the effect of government taxation, licensing, training, and capital financing policies on the growth of micro-enterprises in Makurdi metropolis, Benue State. The survey design was adopted for the study and questionnaire was used for data collection. The population consists of 117 selected owners of micro-enterprises in Makurdi metropolis, Benue State, Nigeria and a census sampling was adopted for the study. Simple percentages, mean ad standard deviation were used for data presentation and analysis while regression analysis was used to test the hypotheses. Findings of the study revealed that taxation, licensing, training and capital financing all have a positive significant effect on the growth of micro-enterprises in Makurdi metropolis, Benue State. The study concludes that government policies significantly affect the growth of micro-enterprises in Makurdi metropolis, Benue State of Nigeria. Recommendations were made among others that the Benue State government should develop a system for tax payment so as to enhance efficiency in tax collection and payment.

Keywords: *Government, Growth, SMEs, Policies, Benue, Nigeria.*

Introduction

Helping small businesses start and thrive is a win-win situation for the government. Local businesses help support the tax base through businesses taxes and through the wages provided to employees. Empirical literature is replete with evidence which suggests that within the framework of potential efforts and strategies to boost employment and job creation for young people, entrepreneurship is increasingly accepted as an important means and a valuable additional strategy to create jobs and improve livelihoods and economic independence of young people.

Small and medium scale enterprises (SMEs) are widely recognized for their role in the social, political and economic development. Their importance is particularly apparent in their ability to provide reasonably priced goods, services, income and employment to a number of people [1]. Nabintu [2] note that while the contributions of small businesses to development are generally acknowledged, micro and small entrepreneurs face many obstacles that limit their long term survival and development. Therefore, there has been a growing concern and interest by the government and development agencies for the improved performance and growth of the small and medium scale enterprises [3]. In Nigeria, different administrations at various times have directed their efforts towards developing entrepreneurship. Several developmental and financial assistance instruments were employed [4]. However, such government ingenuities were terribly unsuccessful as a result of overbearing bureaucratic procedures, corruption, insufficient and ineffectual infrastructural amenities [5].

Some of the agencies created by the government to support entrepreneurship development in Nigeria include: Small and Medium Scale Enterprise Development Agency of Nigeria (SMEDAN), National Directorate of Employment (NDE), Better Life Programme (BLP), Small and Medium Industries Equity Investment Scheme (SMEIS), National Poverty Eradication Programme (NAPEP), Family Economy Advancement Programme (FEAP) and National Economic Reconstruction Fund (NERFUND) [6].

Businesses employing between 1 to 99 people in Nigeria account for about 48 percent of all businesses; with a majority of these being managed or owned by the young people (25-34 years) [7].

Microfinance institutions recognize the importance of promoting SMEs as the basis of economic growth. The growth in SMEs should be encouraged and supported to bring about favorable economic growth and development, alleviate poverty and improve the standards of living in Nigeria. In Benue State, the government seeks to create an enabling business environment and institutional structures that are conducive to investments be it public or private.

The government is geared to improving the policy framework for the private sector which is central to development of Benue State. All businessmen and entrepreneurs must be accorded all necessary support in order for them to reap maximum profits from their businesses. It is against this background that this study examines the effect of government policies on the growth of micro-enterprises in Makurdi metropolis, Benue State, Nigeria. Since inception, Nigerian government has developed strategies and promotion programs aimed at improving economy by promoting small-scale enterprises [8].

Despite these initiatives, statistics have revealed that the established enterprises have a very low survival rate, with serious challenges leading to 60 percent failures in performance within the first three years of operation. This poor performance has hampered their ability to contribute to the growth of Nigeria's Gross Domestic Product (GDP) as required. It also makes them unable to compete with other larger businesses including multinational corporations, or take full advantage of the economy and access the global markets for profitability and sustainability.

In response these pressing issues, Benue State government have come up with policies that increase the rate of taxation, changed the licensing procedures, and increased the training of entrepreneurs and policies related to entrepreneurs financing. This study therefore seeks to investigate the effect of government policies on the growth of micro-enterprises in Makurdi Metropolis, Benue State, Nigeria.

Objective of the Study

The Main Objective of this Study is to Examine the Effect of Government Policies on the Growth of Micro-Enterprises in Makurdi Metropolis, Benue State, Nigeria.

The Specific Objectives of the study are to

- Determine the effect of taxation on the growth of micro-enterprises in Makurdi metropolis, Benue State, Nigeria.

- Examine the effect of licensing on the growth of micro-enterprises in Makurdi metropolis, Benue State, Nigeria.

- Assess the effect of training on the growth of micro-enterprises in Makurdi metropolis, Benue State, Nigeria.

- Ascertain the effect of capital financing on the growth of micro-enterprises in Makurdi metropolis, Benue State, Nigeria.

Research Hypotheses

The Following Null Hypotheses have been formulated for this Study

- Taxation has no significant effect on the growth of micro-enterprises in Makurdi metropolis, Benue State, Nigeria.

- Licensing has no significant effect on the growth of micro-enterprises in Makurdi metropolis, Benue State, Nigeria.

- Training has no significant effect on the growth of micro-enterprises in Makurdi metropolis, Benue State, Nigeria.

- Capital financing has no significant effect on the growth of micro-enterprises in Makurdi metropolis, Benue State, Nigeria.

Literature Review

Theoretical Framework

This study is anchored on the business growth theory and Gibbs theory of regulation which are considered most relevant to the current study. The business growth theory is however adopted for this study.

Business Growth Theory

The theory of business growth was postulated by Penrose [9]. The theory offered some strong principles governing the growth of firms and the rate at which firms can successfully grow to bigger firms. Penrose [9] asserts that firms are a bundle of internal

and external resources that help a firm to grow and to realize a competitive advantage. She further explains that firm size is incidental to the growth process, whereas firm growth is determined by the effective and innovative managerial resources within the firm. She further explained that the availability of top managerial and technical talent serves as an engine to a firm's growth. Penrose also suggested that ignorance of these factors results in failure and loss of competitive advantage.

The theory of business growth implies that the rate of growth of a firm is independent of its initial size. By implication it would mean that large firms are preferable in context of private sector development given that they create more employment than small firms. However, small firms learn over time, which helps them improve their performance as they accumulate market knowledge.

This also implies that as a new small firm start and develops, it moves through some growth stages. The stages of growth are identified as; existence, survival, success, take off and resource maturity. In each stage of development as different set of factors is critical to the firm's survival and success.

Gibbs Theory of Regulation

The theory of regulation as propounded by Gibbs (1988) outlines various policies that need to be considered while embarking on Micro and Small Enterprise Development programmes. The theory is dynamic in that as the needs of the Micro and Small Enterprises change, policies, institutions and assistance packages for the development of the enterprise sector also change. The needs of SMEs determine the component of the support service programmes.

Four kinds of assistance packages for SMEs obtain in this model. First, the policy framework where the impact of policies for Micro and Small Enterprises are measured in various ways and secondly, the assistance frame that is divided in both software and hardware support: the software support includes training , counseling, consulting, transport etc where as the hardware support includes credit provision, infrastructure and materials. Thirdly, is the needs frame model where Gibbs [10] asserts that the needs can be considered from the point of view of the

Nation as a whole, the level of the local communities participation and from requirement of groups or individuals wishing to put up new business. Lastly, there is the institutional framework that consists of various dimensions of institutional capability geared towards promotion of the SMEs. Gibbs [10] noted that entrepreneurs seeking to start business for the first time needed non-financial assistance packages compared to those already running business.

As it pertains to this study, Gibb's model can be applied to expound that the business world of SMEs is beset with different problems especially to women owner managers. Business friendly government policies and regulatory regime composed of low tax rates and simple business registration and licensing requirements to owner managers improves their entrepreneurial capability and the overall growth of their Micro and Small Scale Enterprises for income generation, employment creation and poverty reduction.

Conceptual Framework

Concept of Government Policies

Government policy is seen as an anchor to all other factors which are also essential and paramount to any entrepreneurial scheme. Government policies according to Tende [11] are policies designed to moderate the relationship between the entrepreneurship and the economic development of SMEs development through wealth creation and job creation. Government support agencies are institutions that aim at regulating and improving the conditions of SME's and entrepreneurs in terms of supportive, implementation and funding policies by the government [12].

Based on this definition, government support agencies as it relates to entrepreneurial practice is targeted at encouraging entrepreneurship by making a favorable environment for the entrepreneurship by making a favorable environment for the entrepreneurs. This, it does through enactment of guidelines that will regulate entrepreneurial activity generally for the reason that entrepreneurship is the bedrock of nation's path to industrialization.

Furthermore, government needs to enact policies that would be user friendly to the

entrepreneurs [13]. Pissarides [14] argues that there is a need for government policies as they relate to entrepreneurship to be successfully implemented irrespective of which administration is in power in order to achieve the goals of the guideline which often times is always lacking. In the case of government support policies, it is assumed that since government is in the lead for entrepreneurial development, it should provide the much needed resources within its capability. Such resources include provision of environment conducive to business that will highly promote entrepreneurship.

Concept of Growth of Micro-Enterprises

The concept of growth is used to determine the success of a business entity whether small or big. Growth may be defined as increase in size, number of employees, asset, capital, sales and profit of an organization [12]. The measurement of business organization's growth is very important to the owners, managers, employees and creditors [15]. In business the term growth is used to refer to various things such as increase in the total sales volume per annum, an increase in the production capacity, increase in employment, an increase in production volume, an increase in the use of raw material and power [16].

These factors indicate growth but do not provide the specific meaning of growth. Micro-enterprises growth therefore means an increase in the size or scale of operations of a firm usually accompanied by increase in its resources and output. Business growth is a natural process of adaptation and development that occurs under favorable conditions. The growth of a business firm is similar to that of a human being who passes through the stages of infancy, childhood, adulthood and maturity [17].

According to Reijonen and Komppula [18] business growth is an ongoing process that evaluates and controls the business and the industry in which the company is involved, assesses its competitors and set goals and strategies to meet all existing and potential competitors, and then re-assess each strategy annually or quarterly (regularly) to determine how it has been implemented and whether it has succeeded or needs replacement by a new strategy to meet changing circumstances. Tolentino [19]

argues that various aspects that are considered while measuring the growth of micro-enterprises are sales, employees, assets, profits, equity and others. There is a time variation in the literatures that analyzes the performance aspect of an organization. The time variation is determined to be varying from one to several years [20].

Dimensions of Growth of Micro-Enterprises

According to Reijonen and Komppula [18] the distribution of growth measures includes employment growth, sales growth, profitability growth, income growth and assets growth. The measures used to measure the growth of micro-enterprises in this study are sales growth and profitability.

• Sales Growth

Sales growth refers to the amount a company derives from sales compared to a previous corresponding period of time in which the later sales exceed the former [2]. It is usually given as a percentage. Sales growth is considered positive for a company's survival and profitability. It is an important measure of performance. Sales growth targets play a major role in the perceptions of business managers [21]. Kaplan and Norton [22] argue that firms must use a wide variety of goals, including sales growth, to effectively reach their financial objectives.

Factors that influence sales growth range from promotion to internal motivation and retaining of talented employees to the implicit opportunities for investments in new technologies and equipment in the production process. In addition, it benefits learning curve and opportunities for economies of scale provided by sales growth. Kaplan and Norton [22] claim that to reach their financial objectives effectively, firms must use a wide diversity of goals, including sales growth. Sales growth generally utilizes capacity more fully, which spreads fixed costs over more revenue resulting in higher profitability.

• Profitability

Profitability is another important measure of growth that must be considered as it is unlikely that firm growth can be sustained without profits being available for reinvestment in the firm [2].

Growth along this dimension can be considered in terms of net profit margins or return on assets. Alternative views are given by Akande [24] who point out that while profits are an important indicator of success, the relationship of profits to size is only evident in aggregate of firms or over long periods for individual firms. Profit margins and stability of profits overtime realized by small enterprises were some of the aspects that the present study considered to be indicators of sustainability.

Review of Related Empirical Studies

Essien [25] examined the effect of government policies on the growth and survival of small and medium scale businesses in Lagos State, Nigeria. The study used a survey method and questionnaire was used to gather data from 211 small business owners and managers located in selected cities in Nigeria. Simple random sampling technique was used for selection of respondents.

The study used simple percentages for data analysis and correlation for test of hypotheses. Findings of the study indicated that the most common factors affecting the growth and survival of small businesses in Nigeria include lack of financial support, poor management, corruption, lack of training and experience, poor infrastructure, insufficient profits, and low demand for product and services.

The findings of this study are related to the present study since the focus was on small and medium scale business owners. The study was carried out in Lagos State, Nigeria while the present study is carried out in Makurdi metropolis, Benue State, Nigeria. The study used simple percentages for data analysis and correlation for test of hypotheses while the present study used simple percentages for data analysis and regression for test of hypotheses.

Investigated on Government Policy Support and Performance of Small and Medium Scale Enterprises in South-West Nigeria. The study examined the impact of technological, infrastructure and financial supports on the performance of small and medium scale enterprises (SMEs) in Nigeria. Primary data were employed to elicit information from 144 bakery firms from South West Nigeria. The primary data were sourced using interview schedule and questionnaire administration. A model of three (3) linear equations was formulated capturing the variables of performance, technology, infrastructure and finance. In all, a total of twelve (12) variables were used in the analysis; they are: output (OUT), asset (AST), Employees (EMP), acquisition mode of machines (ACQ), energy expenditure (ENR), initial capital (CAP), training (TRA), water expenditure (WAT), bank credit (BNK), education (EDU), age of enterprise (AGE), and non-bank credit (NBK).

The Ordinary Least Square (OLS) regression analysis was used to estimate the model. The findings of the study revealed that technological and financial supports impact positively on the performance of SMEs while infrastructural support is negatively related to the performance of SMEs in Nigeria.

The study used interview and questionnaire for data collection while the present study use questionnaire as the instrument for data collection. The two studies are related since their focus is on supportive policies and performance of small and medium scale enterprises in Nigeria. The study focused on only bakery firms in South West Nigeria while the present study focuses on growth of micro-enterprises in different lines of businesses.

The study was carried out in South West Nigeria while the present study is carried out in Makurdi metropolis, Benue State. Zindiye, Chiliya and Masocha [26] investigated the influence of government and other institutions' support on the performance of Small and Medium Enterprises (SMEs) in the manufacturing sector in Harare, Zimbabwe.

The target population for this study was 609 SMEs of which a sample of 241 SME owners or managers participated in the study. Data analysis was done using the Chi-square test to test for association. The results indicated that government and other institutions are playing a positive role on the performance of SMEs despite the prevailing economic conditions.

Based on the results, the study concluded that duty drawback system and skills training are the most important initiatives for the growth of SMEs in the manufacturing sector in Harare, Zimbabwe.

The study is related to the present study because the focus is also on support policies and the performance of small and medium scale enterprises. The study used chi-square for test of hypotheses while multiple regressions is used in the present study for test of hypotheses.

The study was carried out in Zimbabwe while the present study is carried out in Makurdi metropolis, Benue State, Nigeria. Mungaya, Mbwambo and Tripathi [27] conducted a study on tax system impact on the growth of Small and Medium Enterprises (SMEs) in Shinyanga Municipality.

The study was based on the survey of 120 managers/ Executive officers of the selected SMEs in the Shinyanga Municipal region in Tanzania. The survey was administered using questionnaire and interview with the selected respondents. Data collected were analyzed by descriptive analysis method and findings were presented in terms of frequencies and percentage analysis. Findings indicated that majority of the respondents perceive the adverse impact of existing tax policies on the growth of SMEs and suggest for reforming the tax policies in the country.

The study is related to one of the objectives of the current study but the scope of the two studies is different. The sample used in the study is smaller compared to the present study. Yahya, Othman and Shamsuri [28] conducted a study on the impact of training on Small and Medium Enterprises (SMEs) performance in Malaysia. The methods used are descriptive analysis, Pearson correlation, stepwise regression procedures and t-test. The data for the study were collected through mail questionnaires sent out to selected SMEs.

Of the total number 500 questionnaires mailed to SMEs in Malaysia, 27.6 percent responded and completed the questionnaires. The empirical information resulted from analyzing the data obtained from the SMEs, suggests that manager's, enterprises and external characteristics affect the demand for training. It was also found that training has a positive impact on SMEs performance (profits, revenues and size).

The study is related to the second objective of the current study. The study was however carried out in Malaysia while the current study is carried out in Nigeria. Okpetu [29] carried out a study on the effect of government supportive policies on SMEs performance in Lagos, Nigeria. The study adopted a cross-sectional survey of small and medium enterprises in Lagos. The primary data were gathered through a self-administered questionnaire and complemented with content analysis of some published reports on small and medium enterprises. A sample of 200 entrepreneurs selected from different industries was selected for the study.

The choice of industries and selection of samples were based on accidental sampling method. Participating respondents were operators of small and medium enterprises who volunteered to respond to the questionnaire. The data collected were tested using correlation and regression analysis.

The findings of the study indicated that technology, managerial capability, proper planning and finance were important in the survival of small and medium enterprises in Nigeria. The study no doubt is also related to this present study. The scope of the two studies however differs since the study was carried out in Lagos State, Nigeria. In Nigeria, Adebisi and Gbegi [30] conducted a study on the effect of multiple-taxation on the performance of small and medium scale business enterprises in West African Ceremics Ajeokuta, Kogi State.

The study involved a survey research design with a population of 91. The researchers derived their sample size to arrive at 74 and a self-administered questionnaire was used to collect data. These data was quantitatively analyzed with simple percentages and tested the research hypothesis with Analysis of Variance (ANOVA). The findings revealed that multiple-taxation has negative effect on SMEs' performance and the relationship between SMEs' size and its ability to pay taxes is significant.

The study is related to the first objective of this current study but the scope of the two studies is different. Examined the effect of government support policies on the performance of small and medium enterprises in South-Western Nigeria.

The study analysed the processes involved in business planning, examined the challenges and problems faced by Nigerian

entrepreneurs in business planning of Nigeria's Small and Medium Enterprises (SMEs); and how proper planning can promote their businesses. Primary data was used for this study and they were sourced from small and medium scale businesses in Ile-Ife through administration of structured questionnaire. The sample population consisted of small and medium enterprises in Ile-Ife, Osun State, Nigeria. The data for the research study was obtained from the primary source such as questionnaire, interview and observation.

A close ended structured questionnaire was used so as to prevent respondents from derailing from expected results. A sample of 70 small businesses was selected for this study. The data collected were analysed using descriptive statistics such as tables, charts, frequencies, percentages.

Findings showed that most entrepreneurs find out the demand of the market more than setting goals and objectives. Also results showed that economic instability and access to source of finance are major challenges facing SME's; and proper planning can increase the productivity and profitability of Small and Medium scale Enterprises in Nigeria.

The study is related to the dependent variable and independent variables used in the study. The study was however, carried out in South-Western Nigeria while the present study is carried out in Makurdi metropolis, Benue State, Nigeria. Macharia [31] conducted a study on the effects of training on the performance of small and medium enterprises SMEs in Mt. Kenya region. The study used various methods to collect primary and secondary data.

Structured and unstructured questionnaires were used to collect primary data. The target population was 500 enterprises operating in Nyeri and Embu Districts. The research was focused on 100 employees (owners or managers) who formed the sample size. The results revealed that lack of training affects the performance of the small and medium size business enterprises.

Training is essential for the smooth operations and running of these enterprises and without training no enterprise will prosper. Findings of the study are relevant and significant to the present study but the study is carried out in Kenya unlike the present study which is conducted in Makurdi metropolis, Benue State, Nigeria. Njoroge and Gathungu [32] conducted a study on the effect of entrepreneurial education and training on development of small and medium size enterprises in Githunguri District- Kenya. The study used an exploratory research design. The target population was all the 1670 legally registered SMEs in Githunguri district. The study used simple random sampling in which 167 SMEs were sampled. Data was collected using structured questionnaire.

The study established that after the training entrepreneurs were able to market their products within the district but not around the country. The results of the study revealed that the entrepreneurs were able to do simple daily book keeping of business transactions but were not able to do complex financial statements.

Assessed the role of government in promoting small and medium scale businesses in Kogi State, Nigeria with special focus on Kabba/Bunu Local Government Area. A survey design was adopted for the study and questionnaires were distributed among forty (40) small and medium scale business owners randomly selected. Regression analysis was employed in the study.

The results of the study showed that there was a positive correlation between government role and small scale business promotion and government play a significant role on small scale businesses in Nigeria through their various actions.

The study identified entrepreneurship training as important for the performance of small scale businesses and this is considered relevant to this present study. The major limitation of the study was the use of small respondents for the study. Ocheni [23] conducted a study on the impact analysis of tax policy and the performance of small and medium scale enterprises in Nigerian Economy.

Descriptive survey research design was adopted and the population comprised of sixty eight (68) SMEs currently operating in Kogi State and Abuja. Descriptive statistics was used to analyze the data collected and to obtain the mean assessment for each scale item.

The research hypotheses for this study were tested using z-test statistics to establish $p < 0.05$ significant differences.

The analysis revealed that there is no significant difference in the mean opinion scores of managers and accountants on the best tax policy that encourages tax compliance by SMEs in Nigeria. It was also revealed that there is no significant difference in the mean opinion scores of managers and accountants of the implications of tax policy on SMEs growth. The study is relevant to the current study because it is related to the first objective. The study focused on small and medium scale enterprises in Nigeria unlike the present study whose focus is on micro-enterprises in Benue State, Nigeria.

Examined the status of entrepreneurship support agencies (ESAs) in Lagos State, Nigeria. The study used a qualitative multiple case study by purposively contacting 56 SMEs operators in Matori, Lagos Industrial Centre for interview. Data were gathered from 30 firms that agreed to participate through structured interview and relevant documents.

The content analysis of available information revealed the interaction of SMEs with regulatory agencies for certification. A performance appraisal of ESAs indicated that these agencies have been ineffective due to poor implementation resulting from challenges such as bureaucratic bottleneck, high costs of services, corruption, lack of infrastructure and inadequate staffing to mention just a few. The study used interview for data collection while the present study used questionnaire for data collection.

The sample size of 56 used in the study was small compared to the present study which considers a larger sample size. Examined the role of government policies on the relationship between innovations, technology and entrepreneurship development in Nigeria. Primary source of data was used in the study to examine the moderating role of government policies on the relationship between technology, innovation and entrepreneur development in Nigeria.

The study used a cross-sectional survey research. Primary data was obtained through the use of self-administered questionnaires to business owners/managers using simple random sampling technique. The population of the study consists of 2,272 SMEs (2,247 Small and 25 Medium scale enterprises) operating businesses within Osun State. The sample size of 348 was determined using Krejcie and Morgan formula. Structural Equation Model was used to analyze data using Partial Least Square Method (PLS 3). The results based on findings showed that a positive significant effect was found between government support, innovation and technology on entrepreneurship development.

Government policies were found to have fully moderate the relationship between innovation, technology and entrepreneurship development. Government polices was found to be the most explanatory variable of the study having the highest effect on the entrepreneurship development. The study is related to the current study since the focus is on government policies and entrepreneurship development in Nigeria. The sample used in the two studies is different.

Methodology

Research Design

This study used a survey design in which data from respondents were collected using questionnaire administration. The area of study for this study is Makurdi Metropolis, Benue State with focus on government policies and performance of small and medium scale enterprises. The population of this study is made up of 117 selected owners of micro-enterprises in Makurdi metropolis, Benue State, Nigeria who are beneficiaries of government policies.

They are CBN Business Training, 34, Government Borrowers Programme, 31, Eunice Spring of Life Foundation, 28 and Women and Youth Skills Acquisition Programme 24. The sample size was obtained through census sampling. This was done because of the small population of respondents in the study area.

The data for this study were collected mainly using questionnaires. Construct validity was achieved by linking the items in the measuring instruments to the theoretical components of the research topic after face validity was carried out by the research supervisor. Also, factor analysis was used for the purpose of construct validity.

The results of KMO and Bartlett's Test was .859 with Approx. Chi-square= 746.385 and sig = .000.

Table 1: KMO and bartlett's test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.859
Approx. Chi-Square		746.385
Bartlett's Test of Sphericity	Df	10
Sig.		.000

Source: Field Survey, 2019.

Reliability of the Instrument

The result of the reliability was estimated indicates that the instrument for the study us valid as the figures passed the threshold of 0.7 recommended in literature for a reliable instruments. Reliability test was conducted on 39 ($1/3$ x 117 =39) owners of micro-enterprises in Makurdi Metropolis. Cronbach's Alpha was used and the result is as follows: Taxation (0.843), Licensing (0.826), Training (0.892) and Capital Financing (0.915). This is an indication that the instrument was reliable to be used in this study. The result is presented in Table 3:

Model Specification

Multiple regression model was done by fitting an equation which was used to examine the effect of independent variables (taxation, licensing, training, capital financing) on dependent variable (growth) that were assumed before to have effect on growth of micro-enterprises and to test the hypotheses.

The Formula of the Model is

GME = f (GOP) (1)
GME =f (TAX, LIC, TRA, CAF) (2)
Where;
GME = Growth of Micro-enterprises
GOP= Government Policies
TAX= Taxation
LIC=Licensing
TRA=Training
CAF=Capital Financing
The explicit form of model is stated thus:

$Y= \alpha + \beta_1 TAX + \beta_2 LIC + \beta_3 TRA + \beta_4 CAF + \mu$ (3)

Where:
Y= predicted value of the dependent variable (growth of micro-enterprises)
α = Intercept when independent variables are equal to zero (constant term)
β = coefficients of determination of independent variables
μ = error term.

Data Analysis Techniques

Data that were collected from the field survey were coded, summarized and entered in the computer and finally analyzed using Statistical Package for Social Sciences (SPSS) 21 for windows. Both analytical models that were descriptive and inferential analysis were employed as further described in the subsequent sections. Test of hypotheses was done using regression analysis.

The Standard error test was used in testing the hypothesis while decision rule was used to accept or reject a hypothesis. If the standard error of b_i [S (b_i) >$1/2$$2b_i$] accept the null hypothesis, that is, accept that the estimate b_i is not statistically significant at the 5% level of significance. Also, if the standard error of b_i [S (b_i) <$1/2i$] reject the null hypothesis, in other words, accept that the estimate b_i is statistically significant at the 5% level of significance.

Results and Discussion

This section presents data presentation and analysis, test of hypotheses and discussion of findings

Multiple Regression Result

Table 2: Coefficient of Determination (R²) Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.682a	.465	.445	.56094	1.718

Predictors: (Constant), Capital Financing, Licensing, Training, Taxation
Source: Field Survey, 2018.

• Coefficient of Determination (R2)

The result in Table 2 showed that the coefficient of determination was .465. Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (growth of micro-enterprises) that is

explained by all independent variables. From the findings this meant that 46.5 % of the growth of micro-enterprises is attributed and

determined by combination of the four independent factors investigated in this study.

Table 3: Analysis of Variance (ANOVA)

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	30.032	4	7.508	23.862	.000b
1	Residual	34.611	110	.315		
	Total	64.643	114			

- Dependent Variable: Growth of micro-enterprises

- Predictors: (Constant), Capital financing, Licensing, Training, Taxation.

Source: Field Survey, 2018.

• Analysis of Variance (ANOVA)

The study used ANOVA to establish the significance of the regression model from which f-significance value of P less than 0.05 was established as shown in Table 3. The model was statistically significant in

predicting the growth of micro-enterprises that the regression model had a probability of less than 0.05 of giving a wrong prediction. This therefore means that the regression model had a confidence level of above 95% hence high reliability of the results obtained.

Table 4: Multiple Regression Analysis

Model	Unstandardized Coefficients		Standardized	Coefficients		
B	Std. Error	Beta	t	Sig.		
(Constant)	.405	.324			1.251	.213
Taxation	.229	.104	.198		2.200	.030
Licensing	.542	.070	.594		7.762	.000
Training	.197	.086	.183		2.289	.024
Capital Financing	.267	.085	.293		3.143	.002

- Dependent Variable: Growth of micro-enterprises
  Source: Field Survey, 2019.

The analysis of the data collected from the respondents revealed that taxation had a positive significant relationship with the growth of micro-enterprises on the growth of micro-enterprises in Benue State. Regression was used to test the hypothesis at 5 % level of significance and the p-value (0.030) was lower than the significance level. This can be statistically given as P-value 0.030 < α = 0.05. From the findings, the respondents indicated that taxation lowers the business profits.

The respondents also indicated that the businesses are weakened due to the increase in tax rates hence less growth of the business. These findings are in line with Kristiansen [33] argument that taxes are considered to be very prohibitive and the general feeling among small entrepreneurs is that they see no benefits from their payment. These findings agree with Adebisi and Gbegi [30] findings that high taxation rates negatively influence the performance of small and medium scale business enterprises in Kogi State.

The analysis of the data collected from the respondents indicated that licensing had no significant relationship with the growth of micro-enterprises. Regression was used to test the hypothesis at 5 % level of significance and the p-value (0.000) was less than the significance level. This can be statistically given as P-value 0.000 < α = 0.05. From these finding we can deduce that business licensing in Makurdi metropolis affects the growth of micro-enterprises to a great extent.

This finding agrees with Kauffmann [3] findings that business licensing pose serious challenges to SMEs performance. Wanjohi and Mugure [34] also asserted that licensing and registration requirements, as well as high cost of settling legal claims, and excessive delays in court proceedings adversely affect SMEs operations. The analysis of the data collected from the respondents indicated that training had no significant relationship with the growth of micro-enterprises.

From the analysis of the data collected from the researcher's field survey, it was observed that the respondents' opinion indicated training had a positive significant relationship with the growth of micro-enterprises. To confirm the findings above, regression was used to test the hypothesis at 5 % level of significance and the p-value (0.024) was lower than the significance level 0.05. This can be statistically given as P-value $0.024 < \alpha = 0.05$.

Therefore the null hypothesis was rejected and the alternate hypothesis accepted. These findings are in line with Wawire and Nafukho [35] argument that topics covered in training has a positive impact on SMEs performance (profits, revenues and size).

The responses to the questions were analyzed in order to achieve this objective. The respondents' responses indicated a positive significant relationship between capital financing and the growth of micro-enterprises. To confirm this, a regression analysis was used to test the hypothesis at 5 % level of significance and the p-value (0.002) was lower than the significance level.

This can be statistically given as P-value $0.002 < \alpha = 0.05$. From these findings we can deduce that capital financing influences the performance small and medium enterprises to a great extent. These findings agree with Kimuyu and Omiti [36-37] that access of capital financing influences the performance of SMEs significantly. This finding also agrees with Ahiawodzi and Adade [13] argument that financing procedures involved have a significant influence on the entrepreneurs' willingness to obtain financing.

Conclusion and Recommendations

This section explained the summary of findings, conclusion drawn from the findings, recommendations, limitations of the study and suggestion for further studies. Findings of the study indicated that government policies have significantly affected the growth of micro-enterprises in Makurdi metropolis, Benue State, Nigeria. The study concludes that taxation inversely and significantly influences the growth of micro-enterprises in Makurdi metropolis, Benue State, Nigeria. The study also concludes that business licensing significantly affect the growth of micro-enterprises in Makurdi metropolis, Benue State, Nigeria. The study found that licensing requirements, licensing procedure and business registration influences the growth of micro-enterprises in Makurdi metropolis, Benue State, Nigeria to a great extent.

Further, the study concludes that training influences growth of micro-enterprises in Makurdi metropolis, Benue State, Nigeria positively and significantly. Finally, the study concludes that there is a positive relationship between capital financing and the growth of micro-enterprises in Makurdi metropolis, Benue State, Nigeria.

The study also found that financing procedures, financing requirements for capital financing, amount obtained, duration of payment and interest rates influence the growth of micro-enterprises in Makurdi metropolis, Benue State, Nigeria to a great extent.

Recommendations

Based on Findings of the Study, the Following Recommendations are Made

- The study recommends that the Benue State government should develop a system for tax payment so as to enhance efficiency in tax collection and payment.

- The study also found that licensing procedures and licensing requirements had a negative influence on growth of micro-enterprises. It therefore recommends that the government of Benue State should streamline the licensing procedure and reduce the licensing requirements.

- The study therefore recommends that the government of Benue State should increase awareness on the training programmes for business owners.

- The Benue State government should make sure micro-enterprise owners in Benue State are aware of the loans offered to them.

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