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Achieving inclusive economic growth and development in Nigeria through MSMEs

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ABSTRACT

The Nigerian economy has witnessed consistent average annual growth rate of 7.4% in the last few years, however, the impact of the growth on the citizenry remains insignificant while poverty, youth restlessness, kidnapping for ransoms, terrorism and other vices are on the rise. The objective of the study was to examine why the impact of the economic growth over the years has remained insignificant and what interventions are required to change the tide. The study discovered that the oil sector which is not labour intensive accounts for over eighty (80) percent of Government revenue and a major contributor to the nation GDP. The study also discovered that the poverty level and unemployment rate among the populace require urgent and drastic measures. The impactful measures will require creation of enabling environment, provision of relevant infrastructure and adequate funding programmes that can be easily accessed. The financial system like in any other economy is essential to attaining inclusive economic growth in Nigeria and it should be more supportive to the economy by abolishing existing lending conditions that make it impractically impossible for many MSMEs which are the engine of economic development to access funds.

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1.0 Introduction

All over the world, there is no consensus as to the extent of Government's involvement in the economy. It is an undisputable fact that one of the primary responsibilities of the Government is the creation and sustenance of an enabling environment that guarantees justice and fairness, equity and economic stability in promoting growth and development. The common indices for measuring nations' economic growth and development are the real Gross Domestic Product and the *real* Gross Domestic Product *per capita* (Chan and Lam, 2000 and Kosmidou 2008). The suitability of GDP as the measure of the nation's economic welfare has been attracting criticisms from many scholars (Bergh, 2009). The indices reflect the national growth but failed to detail the group of people that brought the growth to bear and how the benefits of the growth were shared amongst the populace. According to Levine (2013), growth may not necessarily reflect a decline in unemployment rate or an improvement in the general standard of living unless the productivity effect of growth is higher. For instance, Levine (2013) argue that growth in a nation that is recovering from economic recession may not cause an immediate decline in unemployment rate if employers have idle staff who are kept on the payroll just because the cost of hiring or rehiring is higher than the cost of firing the staff.

There is hardly any Government that is not concerned about its nation's economic growth and the development and welfare of its citizenry. In fact, many scholars have argued that the essence of any nation's economic policy is to achieve economic growth (Fadare, 2010, Khorravi and Karimi, 2010, Abata, Kehinde and Bolarinwa, 2012). The approach to achieve desired growth however differs from nation to nation.

Over the past two decades, precisely from 1980 till 2012. The Nigerian economy has been witnessing consistent growth in the real GDP, with average growth of *7.4% per cent* annum. Specifically, the Nigerian economy with the advent of democratic rule in 1999 has been acknowledged to have experienced sustainable and far reaching economic reforms with positive impacts on the economic indicators but not necessarily on the welfare of the people. According to Yogo (2008), Sodipe & Ogunrinola (2011), Oloni (2013), Umaru, Donga & Musa (2013), the growth in the Nigerian economy has not impacted significantly in reducing unemployment rate and the level of poverty and/ or standard of living of the people in Nigeria. African Economic Outlook (2012) posits that though the Nigerian economy grows at an average of 7.4 *per cent,* the growth has not impacted significantly on unemployment and poverty in the country. The economy remains unable to produce enough jobs to justify the robust economic growth. The Nigerian economy grows at an average of 7.4 *per cent* per annum while unemployment rate and inflation hovers around 24% and 7.9% respectively. Statistics have shown that about 70% of Nigerians live below the poverty line of USD 2 per day (Ucha, 2010; Maina, 2013 cited by Pwenegba, July 2013). It is not unexpected that economic growth should impact positively on the citizenry wellbeing measured in terms of improved standard of living and reduction in unemployment rates amongst other indices. The inability of the economic growth to make positive significant impact on the citizenry can be explained off on the huge contribution of the oil sector to the GDP because the oil sector is not labour intensive. Several schools of thought have been expressed as to why economic growth is not a reflection of the citizenry's wellbeing (Diener & Seligman, 2004; Forgeard et al., 2011; Wu and Li, 2013).

First is the traditional view that believes that the favourable or unfavourable structure of the economy as defined by institutional and policy frameworks determine the growth pattern of the economy. The second school of thought which is the poverty trap believes that a poor nation will remain poor except there is an intervention (Akanbi and Toit, 2009).

According to Ranieri & Ramos (2014), economic growth is not enough to eradicate poverty. The failure of the impressive exclusive economic growth rates to address poverty in Nigeria has contributed to the challenges facing the nation with direct and indirect threats to the peace of Africa continent and the world in general. The challenges are in the forms of youth restlessness, terrorisms, kidnapping for ransoms, banditry, prostitution, internet scams and other social vices.

Therefore, this study was interested in how to achieve impactful economic growth in Nigeria where poverty would be eradicated through massive reduction in the high unemployment rate. Addressing poverty through employment generation that ensures that more people contribute and also benefit from the nation's economic growth would be a panacea for minimizing other vices and crimes that are offshoot of unemployment and poverty.

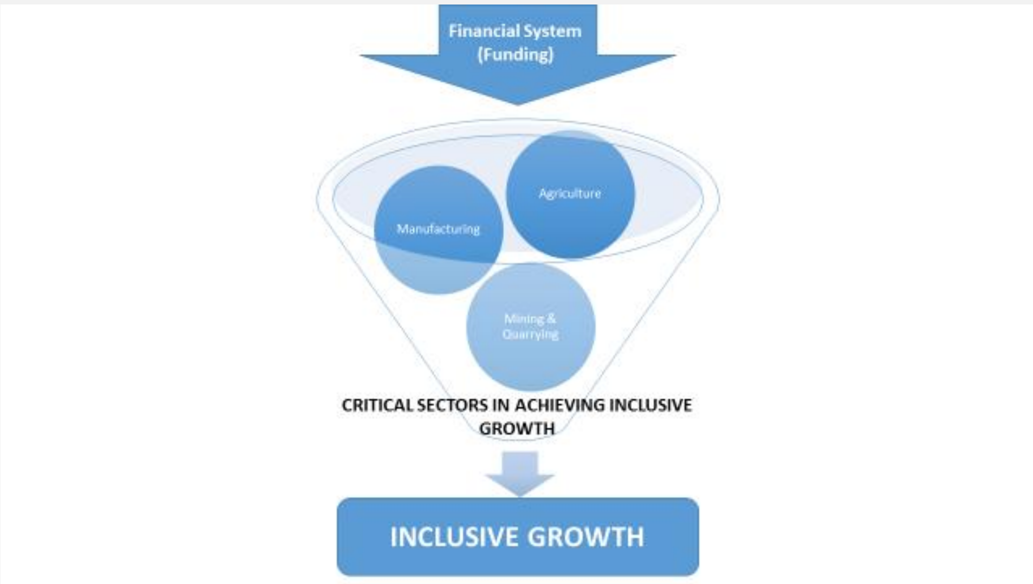
In a nutshell, the objective of this study was to examine the failure of economic growth in Nigeria to impact significantly in poverty eradication in the country and proffer alternative measure(s) to address the problem.

2.0 Conceptual framework

All sectors are important to the nation's economic growth, however one sector is more critical than the other in achieving inclusive growth that would ensure more citizens contribute to the GDP for the benefits of the majority of the populace. This study has selected three sectors that are considered to have the capacity to accommodate the highest numbers of employment and at the same time contribute to the nations GDP locally and through foreign exchange earnings. These are namely, agriculture, manufacturing and mining sectors. These sectors are vast both in capacity and revenue generation.

The above framework depicts the ideal process to achieving inclusive economic growth in most economies. In Nigeria, Agriculture, Manufacturing and Mining are major contributors to the Gross Domestic Product and employ over twenty million of the Nigerian labour force. By virtue of these heavy contributions, particularly agriculture and manufacturing, they can be considered as the key drivers to achieving inclusive growth. The common challenge amongst the players in these sectors is funding and it is the duty of the government to ensure easy access to finance as well as an enabling environment for businesses to thrive.

Figure 1: Framework for attaining inclusive growth in Nigeria



Source: The Author (2014)

At the base of the diagram is the financial system, giving support to various sectors in the economy, thereby directly and indirectly empowering the labour force. A developed financial system ought to provide easy access to funds for the MSMEs as well as large enterprises to acquire necessary tools and technology to increase its output and quality. So also, favourable government policies will encourage more participation in these vital sectors and the transfer of agricultural produce (raw materials) to the manufacturers for further processing and development of globally acceptable products that could be exported.

3.0 Literature review

How to achieve inclusive economic growth following the global economic meltdown of 2008 has been identified as one of the major challenges confronting many countries across the globe (Kumah & Sandy, 2013). The concept of inclusive growth has no real specific time in history though its usage became prominent in the recent times. However, several scholars have traced the origination of the concept to revolution of inclusive economic and political institutions which allow political power to be distributed broadly while also imposing constrains on abuse of political powers by those entrusted with them. The political and economic systems allow gains of economic policies to scale down to the widest proportion of the population in a gradual but sure process. In essence, the synchronization and interaction of inclusive economic and political institutions guarantee inclusive economic growth where the people contribute to the growth and benefit from same. In other words, the argument according to Naqvi (2012) is that inclusive political and economic institutions nurture industrialization and innovation in a free market. The origin of inclusive institutions which is a forerunner of inclusive economic growth was traced by Acemoglu and Robinson (2012) to industrial Glorious Revolution and Industrial Revolution of 1688 and 1779 respectively in Britain and as well as the French Revolution of 1789. These revolutions brought about significant transformation to economic and political structures resulting in decentralization of economic decision making among the various strata of the economic system. The fact therefore remains, that the inclusive growth that is now being canvassed as the panacea for economic instability, growth without inclusiveness, poverty and unemployment reduction has been an age long stimulator of people oriented economic growth.

In achieving inclusive economic growth, industrialism is key. In fact, it is arguably the only way to achieve economic and political greatness by any nation. Acemoglu and Robinson (2012) further argue that inclusive growth experienced by Britain and other European countries were brought about by economic policies deliberately designed for that purpose. For example, import tariffs were selectively imposed to promote development of domestic productive capacity in a programme of import-substituting industrialization. In Nigeria, the government influences import tariffs on both consumables and capital goods under the pretence of promoting local industries but the benefits of such policies hardly impact positively on the economy. Rather, very few industrialists who the system has made to possess unrivalled ability and capacity to dominate the market to the detriment of other operators, the consumers more often than not, reap the gains and the overall economy. The question for the developing economies desperate to achieve inclusive economic growth that would ensure that majority of the citizenry contribute and at the same time benefit is, whether they possess the political will to confront the stiff opposition from the highly industrialized economies of the world that may challenge the efforts. The question arose from Jacob (1997)'s observation that Naples, who once became the most industrialized State in Italy through the adoption of the import-substitution industrialization policy of Britain had its industries destroyed by Britain. According to him, Britain's wish was to remain the only industrialized nation while other colonies provide raw materials for her industries and markets for the finished goods. An example is the fate of the Indian textile industry in the hands of the British during and after colonisation (Naqvi 2012).

3.01 Nigerian economy in brief retrospect

Nigeria for over a decade now has given itself a self-imposed target of becoming one of the world's top 20 economies by 2020, a vision christened Vision 20/2020. Whether this dream was realistic at the point of conception for a country that suffers from gross inadequate infrastructure which is required for actualising such a vision, should not be the issue now. One does hope that the recent rebasing of the nation's GDP which is nothing to a layman as book dressing and which has made the Nigeria economy as the fastest growing economy in Africa is not a short cut to achieving the self-imposed Vision 20/2020.

McKinley (2010) proposed an inclusive growth that aims at achieving sustainable growth that will create and expand economic opportunities and secondly that would ensure broader access to these opportunities so that members of the society can participate in and benefit from the growth. According to him, inclusive growth can be measured using at least six indices. These include presence of indicators of growth, creation of productive employment, availability of economic infrastructure, reward system that bridges the gap between the poor and the rich and promotes equality.

Some of the initiatives to stimulate economic growth by the Central Bank of Nigeria in the last few years include the establishment in 2010 of a N500 billion intervention fund to assist manufacturing, aviation and power sectors. Specifically, the intervention in the power sector was to assist the manufacturing sector to generate their own power to support uninterrupted production in their manufacturing plants. Other initiatives include N200 billion each for Small and Medium Enterprises Credit Guarantee Scheme (SMECGC) and Agriculture Credit Fund (ACF). The ACF was designed to assist and encourage the development of large scale modern agricultural enterprises in both employment generation and contribution to the nation.

Other initiatives to stimulate growths in the Nigerian economy include the National Economic Empowerment and Development Strategy (NEEDS) launched by the former Nigerian President Olusegun Obasanjo. The primary aim of NEEDS was to lay a solid foundation for sustainable poverty reduction, employment generation, wealth creation, and value orientation (Obasanjo, 2004). Whether the initiative which asserts that "7 of every 10 Nigerians live on less than $1 a day" has been able to stimulate the intended economic growth that would address poverty reduction among the people through employment generation and wealth creation is yet to be seen. From all indications, that policy initiative has deliberately or inadvertently been jettisoned by the succeeding administrations.

Recently the Government of President Goodluck Jonathan launched another economic programmed tagged National Enterprise Development Programme (NEDEP) with the purpose of transforming MSMEs through a One Local Government One Product (OLOP) scheme similar to One Village One Product (OVOP) scheme devised by Japan in 1979 (Claymone, 2011; Thu, 2013). The initiative is to spring conscious industrial revolution in all the 774 Local Government Areas in Nigeria by exploring the agricultural, mineral, marine and forest resources in the country. The programme focuses on Skill Acquisition, Enterprise Financing and Business Development Services. Months after the scheme was launched with funfair, there is nothing yet to show that the government has commenced the implementation of the scheme which is targeted at addressing at least 5 million direct and indirect jobs within a year, possible indication that the initiative might soon die a natural death like its predecessors.

3.02 Key sectors in achieving inclusive growth in Nigeria

Different sectors contribute differently to the GDP. In addition, to be interested in wealth creation for the nation, people oriented government should also be concerned about the members of its citizenry that created the wealth and how they benefit from it. In Nigeria, the oil sector made up of crude petroleum and natural gas has been a leading contributor to the nation's GDP especially from the 1970s. This trend has continued while other sectors that used to be the major source have taken the back seat.

The oil sector is highly capital intensive and the number of employment required by the sectors is quite low. To achieve the kind of inclusive economic growth that would ensure that more people are involved in the contribution and benefits, priority must be given to three sectors in Nigeria economy in terms of provision of infrastructure and incentives.

First is Agriculture. From one part of Nigeria to the other, the nation is endowed with arable land for cash and food crops. The cash crops can easily be farmed in the Southern part of the country and these include cocoa, rubber plantation, cola nuts and fruit trees. In the Northern part of the country including the middle-belt, groundnuts, corns, cassava, yam tuber and cotton can be farmed. The sector provides the ability to solve the unemployment situation in Nigeria to an extent; if the resources can be well tapped and harmonised through modern farming technologies and proper orientation to engage the army of unemployed youths and also return those that have abandoned their farms for the cities.

Agriculture is the most effective means that Government can use to achieve inclusive economic growth that would ensure that more people contribute to the GDP and the benefit of the growth cascades to those that worked for it. According to World Bank (2008) report, the GDP of 42 countries, agriculture sector was found to be at least twice effective in reducing poverty when compare with GDP growth of other sector. Similarly, Kuar (2013) argue that in developing countries like India, agriculture has the potential of being the largest contributor to the nation's GDP and it has the ability to stimulate structural transformation in such a way that resources move from low productivity sectors to higher productivity sector.

Second is the manufacturing sector which provides industrialisation. The gains of agriculture may not be fully realised if the produces are consumed only locally, left to rotten or exported to other countries for them to be imported back to Nigeria as finished goods. The foreign exchange earned from export of raw agriculture produce is insignificant to the foreign exchange paid to import the finished goods into the country.

Table 1: Sectorial distributions to gross domestic product and employment in Nigeria

Sector	Contribution to GDP (2013)	No. of Employees (2010)
Agriculture	38.45%	14,837,693
Wholesale & Retail Trade	20.33%	12,097,189
Crude Petroleum & Natural Gas	12.82%	N/A
Manufacturing	4.23%	5,337,000
Financial & Insurance	3.28%	171,403
Mining & Quarrying	0.4%	146,488

*Source: National Bureau of Statistics (2010 & 2013)

The manufacturing sector provides ready market for agricultural outputs. The government needs to encourage the manufacturing sector by providing enabling environment that would ensure existing invitation to survive and thrive while also encouraging new entrants. It is a herculean task for an SME in manufacturing to survive in Nigeria. They are heavily burdened with energy cost, high and multiple taxes, foreign goods selling at highly uncompetitive prices. Except the manufacturing sector is vibrant and thriving the gains from agriculture sector in forms of foreign exchange would be minimal and employment generation in the sector cannot be fully optimized. The government should decisively address the problems inhibiting the maximisation of the benefits of the manufacturing sectors in Nigeria which is able to absorb reasonable number of employment. The sector contributes an average of 40percent to the nations GDP and employs about 15million citizens (National Bureau of Statistics, 2010).

The third sector that is key to achieving inclusive growth that would improve the real GDP per capital and ensure poverty eradication is mining. Statistics have shown that Nigeria is endowed with 33 commercially viable solid minerals (Ugwuanyi. 2012). The resources are located across every part of Nigeria. The implication of this is that it is a potential employment generating sector in addition to the high potential of contributing to the GDP which presently contributes an average of 0.3% to the GDP.

The manufacturing sector's contribution has been unexpectedly low owing to fact that the sector has been more hardly hit by the general problem facing the economy including policy inconsistencies, poor infrastructure, low access to affordable investment finance, high cost of borrowing, high cost of production and competition with imported manufacture products. It is important to note that attaining inclusive growth will be achievable if government intensifies its efforts on the real sectors particularly agriculture, solid mineral mining and manufacturing. These sectors have the special advantage of greater job creation because they are more labour intensive, and have broader value chain creation capacity. Therefore, the recent intervention efforts of the government in these sectors need to be geared.

3.03 Experiences of other countries with inclusive economic growth

Several countries and states have ventured into inclusive economic growth to develop its economy locally and globally but only a few can attest to succeeding at it. A successful inclusive economic growth story is incomplete without the mention of Asia. The likes of China and India are succeeding in sustainable inclusive economic growth by focusing on the MSMEs. These countries identified the key role of MSMEs, coupled with their large populace in ensuring growth through job creation, innovation, poverty alleviation and much more.

This section reviews the experiences of developed and developing economies in achieving inclusive economic growth.

3.3.1 Japan

The Japanese government identified the increased migration of its citizens from its rural areas to the urban areas and the adverse effect it had on the livelihood of the rural citizens. Due to the wide inequality gap, the government had a vision to develop and sustain its localities through the involvement of the citizens therein. In 1979, Governor of Oita, Morihiko Hiramatsu initiated a policy called *"One Village, One Product" (OVOP)*, an idea he borrowed from a small town called Oyama where a cooperative had successfully developed its village by requesting its farmers to focus on Plums and Chestnuts instead of rice planting (UNIDO, 2008). The governor of Oita implemented this policy on a prefectural level which he sustained throughout his stay in the office. Its aim was to prevent depopulation, eradicate heavy dependence on government and promote autonomy in the regions through the development of local unique products (Oita OVOP International Exchange Promotion Committee, 2013). The OVOP policy was a success story for Japan and it outlived the tenor of the originating governor as well as the intended lifespan of the policy. The government gave grants of 100 Million Yen each to over 3,200 villages and towns in Japan to develop and promote one product unique to the area whether tangible or intangible (cultural/sport events). For example, Himeshima town produced Kurumaebi Prawns, Hiji and Usa produced a drink called "Shochu", Beppu township focused on Bamboo handcraft and so on.

According to the International OVOP Exchange Committee (2013), the success of the policy was hinged on three principles:
1. Production of globally accepted goods, using its local and cultural resources
2. Independence and Creativity
3. Human Resource Development

OVOP policy gained global attention and has been emulated by other countries all over Asia, Africa and South America. In 2001, Thailand implemented "*One Tambon, One Product*" (OTOP) where Tambons refer to Local Governments while Malawi officially adopted OVOP in 2003 with the assistance of World Bank and IMF (UNIDO, 2008).

Although OVOP achieved its aims, there is still a wide inequality gap in Japan and income disparity placing it as the sixth highest OECD area in respect of inequality and poverty. Japan is relentless in its efforts to achieve inclusive economic growth, evidenced by the Prime Minister Abe's "three arrows" launched in 2013. This new policy, also known as Abenomics, is focused on establishing a bold monetary policy, flexible fiscal policy and structural reform (OECD, "Better Policies" Series, 2014). The first two arrows have been implemented and economist are optimistic that the third arrow will have the most effect on living standards and regularise gender and income inequality.

3.3.2 Malawi

A small land locked country in Africa, ranked the 5th least developed countries in the world faces poverty challenges and low life expectancy amongst Malawians. The country had high and stable economic growth between 2006 and 2010 with growth rates of about 7.1% however, it is not evidenced in the quality of lives of its citizens (AfDB Paper 2012). The stable growth rate was attributed to the Heavily Indebted Poor Countries (HIPC) debt relief received by the country. Malawi's economy is largely dependent on Agriculture, Manufacturing and Service sectors. A boom in its Tobacco market saw to the increase in its 2013 GDP of 5% from a low 1.8% in 2012.

Prior to these growths, the country had attempted emulating the OVOP movement of Japan but was unsuccessful for lack of good tailoring and specification to its unique country. It failed to take into consideration, its country size, secretariat and administrative structure, marketing tools as well as other sustainability plans. Malawi produced but did little about pushing the goods to the global market, let alone improve the quality of the products over time.

In 2012, the government came up with the second phase of its Growth and Development Strategy for 2012 to 2016 focusing on wealth creation and economic growth that will be inclusive. Similar to other African countries, the country suffers from corruption which poses a stumbling block to the achievement of these growths. According to AfDB (2014), the country's challenges ought to be addressed through economic stability, improved governance and an enabling environment for private sector investment.

Malawi is heavily dependent on agriculture at the rural levels, it could therefore approach inclusive growth by intervening in the lower levels of agricultural technology, gender equality and citizen empowerment to alleviate poverty and encourage economic growth.

3.3.3 Uganda

The country which ranked 45th in the world's fastest growing economies, tried to achieve inclusive economic growth shortly after the end of its civil war in early 2012. The approach of its government was to improve the quality of its labour force through education. According to the Bategeka (2012), Agriculture is the largest employer of labour in Uganda with over 75% of its labour force representing farmers, yet the sector remains underdeveloped with low productivity and primitive farming. Although inclusive growth through agriculture has drastically reduced poverty in Uganda if measured by employment, there is still a high level of inequality in the country. 80% of its agricultural labour force is based in the rural area and it is observed that the 20% in the urban area contribute a whopping 90% to the productivity.

In order to succeed at inclusive growth through transformed agricultural sector, the World Bank recommends that Uganda should take a leaf from countries such as China and Vietnam. It suggests that the Ugandan government should provide modern farming tools/equipment for its farmers and secure land rights for them. In addition, easy funding should be made available to them to transform the current survival farming to business farming.

Despite its geographical disadvantage of being a landlocked country and unlike most African countries, Uganda has demonstrated to a well focused economy by embarking on several aggressive reforms. With continuity and sustainability of this drive, the country is set for a leap globally.

4.0 The role of financial system in inclusive growth

The Nigerian financial system can be broken down into two parts which are financial markets and financial institutions. The former is simply the trading of financial instruments such as stocks, contracts, bonds and so on, whilst the latter are intermediaries that ensure the easy flow of funds from one party to the other. These institutions include commercial banks, insurance companies, microfinance banks, cooperative societies and so on. The financial system can be referred to as the heart of a nation's economy, saddled with the responsibility of generating and distributing funds appropriately. A healthy economy requires a healthy and effective financial system without which the economy suffers losses and malfunction.

About 97% of businesses in Nigeria are classified as SMEs, having assets between N5million and N500million and staff strengths of 11 to 300 employees (National Bureau of Statistics, 2014). This sector however employs well over 70% of Nigerians and contributes a minute 1% to the nations GDP. All over the world, the MSMEs require government support and an enabling environment to thrive as they outnumber large enterprises and contribute much more to the economy of a country by providing a platform for wealth creation, poverty alleviation, new employment generation, innovation and sustainable economic growth and development. In spite of the gold mine inherent in this sector, a survey by NBS/SMEDAN (2010) showed that 73.24% of MSMEs in Nigeria put funding as the biggest challenge hindering growth, while only 4.2% of them have been able to access funds from Banks. In this part of the world, institutions are reluctant to lend to SMEs due to its high credit risk and uncertainties. These risks are however not unrelated to the lack of reliable credit information, lack of required collaterals, deliberate refusal to honour loan obligations, inefficient judicial system and so on. Many of these problems can be avoided if the lenders have credible information especially before and during credit appraisal.

Access to finance by the low income earners of the economy still proves to be a major challenge of the financial system in achieving inclusive economic growth. According to the World Bank (2007), lack of an effective inclusive financial system causes the poorer citizens and SMEs to depend on their personal wealth or internal resources to develop themselves and tap into growth opportunity. This inequality puts a strain on poverty alleviation as individuals and SMEs lack basic requirements to access finance, let alone tap into growth opportunities. For instance the CBN (2012) remarks that many Nigerians, for numerous reasons are unbanked and lack access to formal financial services. According to the CBN the results of the Access to Financial Services in Nigeria (EFInA) 2012 survey showed that 34.9 million adults representing 39.7% of the adult population were financially excluded. Only 28.6 million adults were banked, representing 32.5% of the adult population. The CBN (2012) goes further to say the financial inclusion is achieved when adults have easy access to a broad range of financial products designed according to their needs and provided at affordable costs. These products include payments, savings, credit, insurance and pensions.

Over time, empirical evidence has shown that there exists a positive relationship between financial systems and economic growth (Shin, 2013; Beck, 2011). With majority of evidence supporting this relationship, some research has shown that this may not be the case in all economies (Rayne, 2013). The Nigerian financial system is not yet as vibrant as those in the developed economies but it is critical to achieving the inclusive economic development and according to Shariff (2010) it must be sound, effective and efficient. Too much may be expected if the Nigerian Banks are relied upon to provide all the financial inducements that could stimulate inclusive growth in the economy. Apart from being incapable of providing the entire financial stimulus, the banks are capitalists who prioritize their shareholders interest above the economy. Therefore, it is not natural for the Banks to lend on a long-term to MSMEs and others at the bottom of the pyramid without due comforts. The Government role in ensuring that the financial system supports all the other sectors of the economy that can generate the desired economic growth cannot be over emphasized. The efforts can come in from of intervention funds, deliberate efforts to lower interest rates and loan requirements for SMEs. Other windows include provision of Grants and the strengthening of the Judiciary arm to ensure defaulters are prosecuted.

To support these enterprises, several schemes and programmes are continually being initiated by the government and private institutions. Growth and Economic Opportunities for Women (GrOW) is a five-year research program established by UK and Canadian bodies for the empowerment of women in the Sub-Saharan African and South Asia. Similar programme in Nigeria is the Business Development Fund for Women (BUDFOW) initiated by the Federal Government to encourage gender equality and subsequent economic growth.

The government and private sectors can play vital roles through Venture Capital, Public Private Partnership, Grants and Schemes as mentioned earlier. A few of these opportunities in Nigeria include sector and state specific funds such as Cement Fund, Rice Fund, Power Intervention Fund, State Government Funds amongst others.

The CBN (2012) report indicate intervention through the Agricultural Credit Support Scheme (ACSS) and Commercial Agric Credit Scheme(CACS) through the commercial banks at concessionary interest rate of 6% has increased the output of the beneficiary significantly since inception in 2006 in addition to the exiting Agricultural Credit Guarantee Scheme (ACGS). Similar interventions exit in the SME/Manufacturing under the SME/Manufacturing Refinancing and Restructuring Fund (SME/MRRF), through the Bank of Industry (BOI) and the Small and Medium Enterprises Credit Guarantee Scheme (SMECGS). It is reported that these interventions have not only improved the productivity of the farmers and entrepreneurs, they have also created significant increases in the level of employment. While the capacity utilisation of the CACS beneficiary increased from 35% to 90% it created additional 100,301 jobs in 2012 alone, the CBN Intervention Fund for refinancing (RRF) scheme created 13, 866 direct new job and 971,247 indirect jobs since inception and raised the average annual turnover of all beneficiaries from N3.17 trillion pre-intervention to N5.92trillion post-intervention.

From the foregoing it is obvious that inclusive growth will be attainable if more efforts can be geared towards creating opportunity for financial inclusion such that productivity can be enhanced, improvement in capacity utilisation and job creation which is expected to foster poverty reduction.

5.0 Roles of MSMEs in inclusive economic growth

The Micro, Small and Medium-scale Enterprises (MSMEs) are essential in creation of jobs, eradication of poverty and attainment of economic that would be materially and financially beneficial to a larger portion of the citizenry if any economy. According to Singh and Janor, 2013), growth of SMEs can reduce poverty through acceleration of economic growth, removal of biases against labour-intensive production, creation of employment opportunities for the low-skilled workers and formation of linkages with small suppliers.

The SME sector is the largest employer of labour but its survival is threatened by lack of funds to produce competitive goods at competitive prices. In a study of the financial structure and economic growth in Nigeria by Olofin & Afangideh (2008) concluded that an indirect relationship exists between financial structure and economic growth through national banking sector, domestic investment and real GDP per capita. Other researchers, Adekunle, Salami and Adedipe (2013) also confirmed the positive relationship, however, they concluded that the Nigerian financial system has not been rapid in its development due to challenges such as short-term economic goals and banks' reluctance to lend to the local entrepreneurs who are considered high risk.

The Nigerian landmass is endowed with agricultural, mineral and aquaculture resources that could be explored for employment, wealth creation and national development. The major challenges confronting the MSMEs have been lack of basic infrastructures (power and roads) and avoidable finance. It is indisputable that with the low level of technological advancement, the Nigerian economy cannot make any successful economic breakthrough and achieve inclusive economic growth without full exploration of the many benefits of MSMEs.

6.0 Conclusion

One of the essential keys to addressing poverty, unemployment and the attendant crimes and vices in Nigeria is the pursuit of inclusive economic growth. Any exclusive growth approach, no matter its contribution to the nation's GDP would continue to be disastrous to the wellbeing of the people and the peace of the nation. The Government should defocus attention from the oil sector because of its inability to create wealth through massive employment and focus more on agriculture, agro-processing and mining which are more labour intensive sectors.

The Nigerian financial system like any other economy is indispensable to attaining inclusive economic growth. The financial system should be more supportive by avoiding lending conditions that would shut the doors against the MSMEs. The financial system should also exhibit patriotism more often than capitalism by ensuring that the cost of borrowing, the moratorium periods and other conditions that have hitherto become burdens on the borrowers are addressed in favour of the economy. The poverty level and unemployment rate in Nigeria require urgent and drastic measures which can be come through the critical sectors (Agriculture, Manufacturing and Mining). The measures require provision of enabling environment, relevant infrastructure and adequate funding programmes that can be easily accessed.

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