

The Problems, Prospects and Social Consequences of Sustainable Rural Business in Nigeria

Clementina Kanu

*Department of
Accountancy/Business
Administration
Federal University Ndufu Alike
Ikwo, Abakaliki, Ebonyi State*

Abstract

Rural business involves those activities undertaken by the rural dwellers in the rural setting as their day to day activities and for survival. In this paper, the researcher examines the problems, prospects and social consequences of growth and sustainable of rural business in Nigeria. In order to achieve this, questionnaire was used to solicit the opinion of the rural business owners and operators who are literate and interview was conducted for the illiterate business owners. In order to analyze the data collected, SPSS was used. The mean of the responses were obtained and compared with likert scale. The result indicates that the mean of the responses are greater than the mean of the likert scale, this means that lack of infrastructures/technology, poor management, lack of finance, lack of market for the rural products and services hinder the growth and sustainability of rural business. The result also shows that prospects/ socio economic consequences of rural business includes; generation of employment, curtailing social evils, elimination of urban migration, community and economic development. The study concluded that government should provide technology needed in the rural areas to mechanize and boost agriculture. Rural farmers should be mobilized and encouraged to enable them to be productive. Infrastructures should be made available to enhance the conditions and standard of living of farmers. The implication is that, the urban migration will be reduced because people will like to stay in the rural areas. Agriculture should be mechanized and attractive to people, resulting rural development and mass production.

Keywords:

Rural business,
challenges, prospects,
growth,
Consequences.

Corresponding Author:
Clementina Kanu

Background the Study

Rural businesses are those activities, be it industrial, that business units established in the rural sector of the economy. Therefore, when a business or industry is established in the rural areas, it is simply known as rural business. More than half of the population of Nigeria as a country dwells in the rural area because largest part of the country is in the village due to absence of required infrastructure. According to Government of India, "Any industry located in rural area, village or town with a population of 20,000 and below and an investment of Rs. 3 cores in plant and machinery is classified as a village industry"

Due to the nature of small scale business which rural business is part of, its contribution towards the growth of the economy is enormous. Joel (2013) affirms that rural entrepreneurs play a vital role in the development of the economy. Rural business is the backbone of the nation economy. Neill (2011) maintains that the rural environment is often the growth engine of a country, while the rural population is custodian, of the environment and ecosystems. There are numerous business opportunities in the rural area, that will improve the living condition of the populace but the economic and other conditions of the area is not inviting to many people for business purposes. In Nigeria, rural business has its own challenges, and is impacting negatively on the standard of the living of the rural dwellers, and economy at large.

Agriculture is the major business in the rural areas. Many families rely on this for their sustenance and survival. Rural farming is not mechanized and this is absence of social amenities; causing poor production of foods and crops' The consequence of this is poor standard of living; and non job satisfaction. Hence, Lynne,(2013) said that in many rural and remote communities residents have traditionally relied on jobs in natural resource-based industries. Over the years, employment has been steadily reduced due to changes in these industries. The consequence is that people migrate to urban area in search of better work, causing inadequate manpower for the business in the rural area. The author added that communities faced with declining populations; as a result, the residents are examining the potential of small business to create economic development. However, these locations create challenges for small business operators. Nigeria is has enough agricultural resources, apart from the states under consideration, there are many other states that are good in agriculture, with water irrigation, cash crops, food crops and vegetables. Lack of technology has prevented them from making reasonable impact with the output. Due to lack of mechanized agriculture in Nigeria, the agricultural products are not enough for the country. How can the country survive without producing sufficient food for the populace?

In fact rural areas lack facilities that enhance the growth and sustainable business in Nigeria. Although there is increase in the number of people that move to the city, some are still in the rural area struggling to survive. The researcher wishes to examine the reasons for non survival, sustainability, the prospects and social consequences of rural business in Nigeria.

Objectives of the Study

The objectives of this study consist of primary and secondary objectives.

The primary objective of this study is to ascertain the challenges, prospects and socio economic effect of rural business in selected areas in Nigeria.

1. In order to achieve the primary objective, the following secondary objectives are
2. formulated:
3. To identify the extent lack of infrastructures hinder the success of rural business.
4. To identify the extent the extent poor management influences the performance of rural business.
5. To find out whether lack of finance affects the survival of rural business.
6. To identify the extent to which lack of market for rural products and services hinder the growth of rural business.
7. To examine the prospects/ socio economic effect of rural business in Nigeria.

Research Questions

Based on the study objectives, the following research questions were formulated:

1. To what extent has lack of infrastructures/technology hinder the success of rural business?
2. To what extent has poor management influences the performance of rural business?
3. To what extent has lack of finance affects the survival of rural business?
4. To what extent has lack of market for the rural products and services hinders the growth of rural business?
5. What are the prospects/ socio economic benefits of rural business?

Statement of Problems

Nigeria is a country on the coast of West Africa, bordered by Benin and the Gulf of Guinea in the south. The Federal Republic of Nigeria as it is officially called has a population of 177.5 million people. Halim (2015) in UN est. This means that Nigeria is the most populous country in Africa.. Its Capital city is Abuja located in the center of the nation, while Lagos is the primary port, economic hub and the largest city. All the states in the country consist of combination of rural and urban settings with majority of the population located in the rural areas. Due to remoteness of these communities, businesses find it hard to survive. Most of these rural dwellers engage in Agriculture. For many of these smaller remote communities, the residents have relied on forestry, fishing and other resource based jobs as a means to provide for the families.(Lymne, 2013).

Each of these states in Nigeria has its unique characteristic, culturally, geographically and otherwise. The uniqueness of these areas inhibits the growth of businesses thus retarding the development of the economy, locally and at the global level. Some of these states have climatic challenge like drownses, flood and the like. The challenges experienced by these areas have been a barrier for the survival of rural business. The barriers also include: poor or no infrastructure/technology, no means of communication, lack of power supply, no market for the products and many others. To this, Lymne (2013) maintain that some communities are not accessible by paved road and others are not by road at all. Again, the business people in these areas often operate without a local bank and standard infrastructure (telephone lines, running water and transportation). The important of addressing these issues will cause survival and sustainability of rural business and improved economy in the country.

In their studies on the introduction to small firms in Urban and Rural Locations, Murray and Haraldsdottir (2004) made it clear that it is important to examine the problems faced by small business to determine how they can be solved. Townroe and Mallalieu (1993) in their studies examining potential differences between rural and urban business supported the idea of solving the problem of rural business. Other problems of rural business as captured by Henderson (2002) are distance to market, accessibility to funding and other resources, and managerial/technological skills deficiencies.

Due to uncountable challenges facing rural business, the standards of living in these communities are very low and there is no job. Many people migrate to the urban areas in search of better life. While others, ended up in causing social havoc. Most of these communities could have contributed to its development and the growth of the economy at large without these numerous challenges. In Nigeria, many rural roads are not accessible. Banks cannot in any way build branches in the rural areas. Human beings have suffered to survive in these rural areas, how can business grow in this type of environment? Based on this background the researcher wishes to examine the challenges of rural business, prospects and socio economic effect.

Review of Related Literature

Problems of Rural Business

Rural area has its own problems which rural business inherited by the virtue of operating in that environment thus compounding the problems of rural business. Therefore, the problems of rural business cannot be discussed without mentioning that of rural areas. Rural areas are located in the remote environment with the way of life relatively isolated and have no access to national resources. They experience unequal distribution of resources; lack or Inconsistent power supply, lack of infrastructure and other problems in the rural setting.

Some researchers believe that there are significant disparities in income and standards of living between the rural and urban population thus resulting frequent movement of people from the rural to urban area of the country, creating a serious social differences and inequalities in the various sphere of life. The rural dwellers also experience poor condition of living. The manifestations of this include; people living in the mud and thatched houses, sleeping on bare floor and others live in dilapidated areas, living on not more than one square meal daily. These conditions have negative impact on the standard of living of the people in these remote areas and retard the growth and sustainability of rural business.

Joel (2013) in his study of problems of rural business in India identifies the following as the problems of rural business: Lack of finance -as it is the lifeblood of the business, poor infrastructural facilities, lack of communication, low quality products, non availability of skilled labors, fear to invest in the business, political and structural problems, poor knowledge in the technical skills, poor knowledge in the account maintenance, poor storage and warehousing facilities, purchasing power of rural people. Although this study was conducted in India, but the problems of rural business in most countries are almost the same. Therefore, the findings of this work are in consonance with what rural businesses in Nigeria experience.

Research conducted by Ashek (2008) on the problems of rural business in Bangladesh concluded that the problem of businesses in the country are manifold and it consists of Poor access to credit, water and gas is also in the same poor condition, lack of efficient distribution channels, lack of supply chain management knowledge, weak transportation system, and corrupt road authorities are some factors that contribute to make the system inefficient. In Ghana, Nadowli (2004). Maintain that the major challenges faced by rural enterprises in the district include: poor marketing opportunities, limited finance and poor technology in production.

National Rural Health Association posited that Rural Americans face a unique combination of factors that create disparities in health care but not found in urban areas. The Author described the factors as: economic factors, cultural and social differences, educational shortcomings, lack of recognition by legislators and the sheer isolation of living in remote rural areas all conspire to impede rural American in their struggle to lead a normal, healthy life. It is obvious that these factors that hindered healthy life will not give room for the growth and sustainability of rural business in any environment.

Obitayo (1999) carried a research on the problems of rural economy and concluded that rural economic output could not increase because of the nature of technology in use, illiteracy, non availability of irrigation facilities, inadequate storage, poor transportation and poor mechanization. In any country where the economy is unstable due to any reason, business would not thrive. On the other hand, in a situation where business is not gaining from its environment to contribute to the economy, it will be difficult for such economy to survive.

Due to small nature of rural business, finance is always a problem. There is no capital to start a new business or to sustain the existing one. Banks do not grant credits to small and medium enterprises. Therefore most of the rural areas of the country have not experienced banking services. The cost and time of travelling to the city in search of financial services add to the operational cost of rural business. Small business organization, especially in rural areas lack access to financial services. In Nigeria, rural banking is not prominent; financial institutions exclude SMEs from accessing finance. Therefore, rural business can only be sustained financially from personally savings, borrowing from relatives which are external sources that are not sufficient and reliable. Woldie, Isaac Mwita, and Saidimu, (2012) said that the externals sources of funds are from friends, relatives and financial institutions like microfinance institutions. Thus, Oghunbiyi (1999), in Adien (2013) also saw key problem facing most small-business in Nigeria as that of lack of finance, according to him, this is whether for the establishment of new industries or to carry out expansion plans. The inability to attract financial credit has stifled the growth of this sub-sector. Again, the author enumerated three major problems of small-scale business in Nigeria as finance and financial control, managerial capacity and capability as well as technology. The technologies that are needed for rural production can only be seen in the universities for the use of the researchers who are in need of publications. There is lack of technology in the areas where it is mostly needed.

Agbenyegah (2013) in South Africa stated numerous challenges that the small business sector is faced with and concluded that Government should consider the establishment of rural business incubators to cater for the needs of the small business sector. Through the rural business incubator, small businesses can be equipped to access skills such as managerial, financial and technical skills in order to enable this sector to become more sustainable.

In Nigeria, commercial banks sometimes exclude small and rural business owners from accessing loan because some divert the funds into other uses. As a result, their operations are not disclosed to the banks. Some will automatically change their addresses and resist any investigation into their activities. However, some authors believe that shortage of finance is not the only problem of small-scale enterprises in Nigeria, others include unfavorable government regulation and policies (such as biased and lack of necessary fiscal incentive) and poor management. Business owners can procure goods on credit from the business partners on the condition that the money will be paid on the sale of the goods. This available source is not sufficient for the survival and sustainability of the rural business. Lack of access to financial services by small scale businesses is usually seen as one of the limitations to their benefit from credits and other services (Mashenene & Rumanika, 2014)

Vesper, (1999) view the problems of rural business from different direction and maintain that incompetence of management is another problem facing rural business. Owner of small business may know all the management principles and theories; yet the management particle may jeopardize the business. The statement made by William Shakespeare in Julius Caesar that “the fault, dear Brutus, is not in our stars- but in ourselves.” affirms with the Vesper's view.

Most Researchers think that the problems of access to finance problem is mostly in the formal financial institution, as a result, government initiated the idea of microfinance banks and other NGOs: but the gap has not been bridged. Many microfinance banks do not have owners of rural business as their target customers. Kanu and Isu (2015) observe that Microfinance banks in Nigeria, instead of targeting poor clients which they are meant for; struggle for rich customers with the commercial banks. The researchers added that Microfinance bank activities should cover the rural dwellers who deal more on agriculture and petty trading. Instead, many Microfinance banks engage in commercial banks activities - grant big loans to companies and big customers which are outside the scope of their duties. Udo F. (2012) capture that many of them have assumed a larger than life clout, attempting to finance big projects and other traditional functions of commercial banks, even when they don't have the required capital base and managerial capabilities. In so doing, they stray from the policy framework establishing them, leaving the micro-economy to suffer. To this (Akinmutimi, 2013) opines that microfinance institutions should go back to the people if they are meant for the poor and for the people. However, the factors that hinder the accessibility of finance from these financial institutions include lending policies, complex application procedures, high lending rate and other restriction related to the nature of credit. Above all, rural business lacks collateral to pledge for the loan.

Again, in Nigeria, many rural roads are not accessible. The unfortunate thing about this is that those rural dwellers produce food as well as cash crops, but cannot be sent to market or in the city where they are in great demand (Kanu, 2014). Above all, the income and saving which

suppose to be realized by the rural dwellers are omitted entirely thus impacting negatively on the nation's economy. Banks cannot in any way build branches in such rural areas; therefore, rural business lacks financial strength.

Prospects of Rural Business and Socio Economic Effect

Rural business attracts foreign currency in the country through production and sale of cash crops like cocoa, groundnut, cotton which form part of export products of the country. Rural businesses contribute to the growth of nation's gross national product and it generates job opportunity. Okoro (2004) observed that rural economies involve the production of animals and food crops both for export and local consumption.

Abor et al., (2010), Midfred, (2010) and Mkhize (2010) maintain that small businesses are the drivers of sustainable job and wealth creation. Kantis et al., 2002 added that developing the micro and small enterprise sector can be regarded as the seedbed for the development of large companies, and probably the life blood of commerce and industry. Some researchers on explanation of the vital role of rural business owned by women said "what they do share, however, is the belief that their businesses are capable of both making money and bringing real, substantive change to their customers, suppliers and employees. This means that rural business stand a better chance of transforming the communities and improve economy.

Abagomi (1997) capture the role of rural economic sector as follows: providing adequate food for the increasing population, supplying raw materials to a growing industrial sector, constituting the major source of employment and providing market for the product of the industrial sector. Efficient and effective rural business can be a means of check on social evils. The growth of rural business can reduce the social evils like Poverty, growth of slums, pollution in cities.

Joel (2013), mention the advantages of rural business in India to include: utilize the idle capital, utilize the local resources, provide employment opportunities, avoid the migration of rural population, balance regional growth, promotion of artistic activities, check on social evils, encourage the rural youth, standard of living and equitable distribution of income.

There are numerous evil activities that are going in the country; kidnapping, theft, fraud, raping, destruction of public goods and these activities are been perpetrated by more or less idle minds. In a situation where most of these rural areas have flourishing businesses, lot of people will be engaged; little or no time will be left for such activities. For instance the destruction of oil pipe by the militants in Bayelsa State, where many of them are employed in meaningful activities, the situation at hand would not have been the same.

Joel (2013) observed that rural entrepreneur is a key figure in economic progress of India. It is the way of converting developing country into developed nation and the answer to removal of rural poverty in India. The negative consequences of poor living condition which the rural dwellers experience is crime and other deviant behaviors like prostitution, drug addiction and alcohol abuse. The advantages of profitable rural business include improved standard of living, job creation and rural development which will enhance survival and sustainability of the business.

As conceptualized by various scholars, Williams (1978) viewed rural development as a mass effort to increase production, create and spread of employment and to root out the fundamental causes of poverty, diseases and ignorance. Akeredolu –Ale (1995) captured rural development as a process whereby the government works in close cooperation with the people to improve the economic, social and cultural condition of their communities. For Makanjuola, (2000) rural development is defined as a process of planned change in various aspects of a rural community with a view to attaining an improvement in the level of productive capacity, capability and general standard of living of the rural population. Rural development entails changing communities and nation at large for better. To some, this means sustainability”, “social impact”, “economic parity”, “empowerment”, and “addressing poverty and hunger” and improve standard of living”

Oladipo (2008) observes that for rural development to occur and endure there has to be enhanced rural income, reduced poverty and unemployment, reduced inequalities, increased rural value, added production, enhanced good health and education, enhanced quality of life through potable water, electricity and good roads, greater integration of rural people into the political and economic process and good telecommunication services. However, in Nigeria, the rural areas have little or none of the above amenities and this has stunt the growth as well the development of rural areas, thus impacting negatively on both the rural dwellers and business. When social amenities like electricity is provided in the rural areas, it will improve standard of living of the populace and enhance preservation all rural products like food items, cash crops and fruits: reducing the rate of spoilage.

Bhattacharya, (2004) pointed out that farms, factories as well as homes will benefit from rural electrification, therefore the electrification of rural America means more than comfort and convenience. It means profit to the farmer, to utility, to appliance manufacturer. The availability of social amenities in the rural areas of the country will encourage the use of technology and the mechanized process of agriculture causing industrialization, job creation and elimination of poverty. However, the non availability of social amenities in the rural areas and other odd conditions has increased the number of people that migrate to the cities in search for better life. Most of the youth that suppose to replace the aging farmers are in the urban areas.

Agbenyegah (2013) in South Africa said that the formation of the rural business incubator will not only assist small businesses to play a significant role in the evaluation of small businesses, but also to provide the necessary direction and guidance to the owner-manager of small business operations. Although in Nigeria, government has created various avenues to reach out to these rural businesses, however the aim could not be achieved due to corrupt practices going on in the society. For instance the presence of Agricultural Development Programmes (ADP) in some states supposed to have assisted farmers to practice the use of technology and increase productivity.

As a result of immense contributions made by rural business towards community development: employment generation, poverty reduction, causing improved standard of living and enhanced nation's economic growth, there is need for serious efforts to be made by the government and people to envisage the prospects of rural business tackle the problems.

All effort should gear towards encouraging and supporting the business for growth and sustainability.

Research Method

The Research Design

The research design selected for this study is mix design: qualitative and quantitative research in the form of a structured questionnaire and interview.

Scope of the Study

The scope of this study consists of the field and geographical area of the study.

The field of this study falls within the subject matter of rural business its challenges, prospects and socio economic effects.

Area of Research

The research will be conducted in the rural areas of the south East zone of the country which consists of Enugu, Anambra, Ebonyi, Imo and Abia State. The study will be focused on the challenges, prospects and socio economic effects of rural business in the states.

Construction of the Questionnaire

A comprehensive questionnaire was constructed after reviewing the related literature and the knowledge and insight of the factors affecting rural business obtained. The aim of designing questionnaire is to meet the research objectives and to provide answers to the research questions. In order to examine the barriers and prospects of rural business, different levels of responses such as strongly disagree, disagree, agree, strongly agree and no opinion statements were designed. The study focused on the challenges, prospects and social effect of rural business in the country.

Data Collection

Structured questionnaire and interview were administered and conducted with the owners of business in the rural areas of these states. As a result of high rate of illiteracy in the rural areas, questionnaire was used to solicit information from the literate business owners while the illiterate business owners were interview in order to get their opinion. Through secondary data theoretical and empirical literatures were reviewed - sourced from journals, Internet and conference papers and books.

The population of the study consists of the business owners in the rural areas in the south east zone of the Nigeria, both male and female. The researcher used Purposive sampling technique to select 1200 respondents from the target population. The selection of the participants was randomly made from their different categories, characteristics or their experiences, attitudes or perceptions. In this study, the sample elements that own business in rural areas of these states and those that have interest in this type of business were selected by the researcher. -1000 questionnaire were distributed to the states and 200 interviewed. The return rate of completed questionnaire was 87 percent as 898 questionnaires given to our respondents were collected back and 200 people were interviewed with the aid of research assistant. Therefore, in the finally analysis only 898 questionnaires and responses obtained from 200 people interviewed were used for final analysis of this work. In order that the

information presented should be clear and easy to comprehend, the researcher makes use of tables, frequency and likert scale.

Data Presentation and Analysis

Responses obtained from the questionnaire were presented thus:

Table 1: Lack of market for rural products and services hinders the growth and sustainability of rural business

See Appendix 1

Since the mean of the response (4.07) is greater than the mean of the scale (3), this is an indication that there is a strong agreement that lack of market for rural products and services hinders the growth and sustainability of rural business to a great extent.

Table 2: Poor management influences the performance of rural business.

See Appendix 1

The results show that the mean response is greater than the mean of the scale by 1.5 units. This suggests that on average most of the respondents admitted that poor management actually influences the performances of rural business.

Table 3: Lack of infrastructures/technology affect negatively the success of rural business

See Appendix 1.

The mean response of 4.6 is an indication that greater number of the respondent strongly agreed that lack of infrastructure hinders the success of rural business. Hence we state that lack of infrastructure hinders success of rural business to a great extent will up to 1.6 above average on a likert scale measurement.

Table 4: lack of finance affects the survival of rural business

See Appendix 1.

The mean of the response is approximately 4 which fall on the scale of "Agree" on the likert scale. Hence we therefore accept that lack of finance has affect on the survival of rural business.

Table 5: poor location

See Appendix 1.

The mean of the response is approximately 4 which fall on the scale of "Agree" on the likert scale. Hence we therefore accept that poor location affect the survival of rural business.

See Appendix 1.

As shown in the chart above, the responses obtained indicate that the growth and sustainability of rural business will reduce the degree of social evils been perpetrated in the country. Many jobs will be generated through industrialization and mechanized farming to

enhance standard of living and elimination of poverty in the rural areas. As Industrialization emerges, business will grow, resulting diversified and sustainable agricultural sector needed. Some authors said that poverty alleviation is a central pillar of the rural development with the efforts of the Government and the World Bank. People will earn money sufficient enough to train their children in schools and improve their level of education. The overall result gears towards community development, standard of living of the rural dwellers, enhanced sustainable economy and contributing towards the growth of Gross Domestic Product. In fact the economy of any nation cannot grow if the rural areas and communities whose economic activities can conveniently make some reasonable impact in the socio-economic gains of the country are not considered in the plan for development.

Lesson from Other Countries

The challenges of rural business have become a global issue and the problem of everybody. In Tanzania, government implemented some conditions for financial sector which also targeted farmers and small scale businesses after independent (Facet, 2011) . Some economic reforms and financial restructurings were done by government in 1990 to encourage and increase the number of private institutions in order to provide microcredit to small scale businesses.

India:

1. India has problem of water in most areas of the country, Climate change, extreme events – droughts, floods, erratic rains which have greatest impact in rain-fed areas. The suggestion given to them was to provide watershed program, with initiatives from agricultural research and extension, as such agricultural program help to promote new varieties of crops and improved farm practices.
2. India started better delivery of irrigation water and with World Bank support, better delivery of irrigation water ranges from projects covering large irrigation infrastructure to local tanks and ponds. This has helped the areas that have problem to cultivate their agricultural products in any season.
3. Bank initiated a program called National Rural Livelihood Mission through which the granting of rural credit and gender involvement in rural economic activities was improved. Good number of states benefited from this program.

Zeller et al, (1996) observed that research has shown that rural finance contributes to community economic development by lifting the poor and low-income people out of poverty, enabling them to engage in more productive farm and non-farm income-generating activities to raise their living standards. The effects of these are manifested in improvement in their nutritional status, health and education, particularly in women and children (MkNelly and Dunford 1999, Khandker 1998, Wright 2000).

Conclusion

Rural business in Nigeria is facing numerous challenges that have stunt its growth and sustainability. The results of this work show that lack of infrastructure/technology, lack of market for local products, inaccessibility of rural roads. Poor management, lack of finance and illiteracy amongst other factors contribute to poor performance of rural business.

Based on the findings, the researcher concludes that effort should be made to provide infrastructure /technology in the rural areas because there is federal allocation for local government, the authorities should distribute it equally and judiciously. The involvement of technology will help rural farmers to improve and address the problems of rural business which is basically agriculture, to raise production profile. Due to the increasing population of the country, “all hands should be on desk” . Although people are migrating to the urban areas in search of jobs, the number in the rural areas is sufficient to produce, where all is involved in agriculture. In order to achieve increased productivity in the country, it is required that Nigerians should be involved in mass production not producing for masses. Fast steps should be taking to reduce urban migration and increase general production.

There are a lot of potentials in the country, let us take advantages of these potentials. In order words our country is blessed with crops and other mineral resources, let us focus on them and see what we can do. People should work together and use the experience and potentials that are already available and provide technologies to mechanize our agriculture in order to achieve favorable productivity throughout the country. It is good for us to learn from other countries like Indian, Bangladesh and others; in implementation and evaluation of our activities.

Recommendations

Despite the challenges facing rural business, there are good number of prospects and the positive socio economic effect hovering around the rural business that call for immediate attention and government support. This will improve the standard of the rural business. Therefore, the following recommendations were made

1. Mobilization and credits should be given to rural farmers who despite all odds have not relented to produce. Government should provide crops to the rural farmers and educate them on how to plant it to gain result.
2. Government should provide infrastructures and technologies to the rural areas. The availability of the necessary facilities will encourage the growth and sustainability of the rural business. Training should be given to the users of the technology for better result.
3. There is need for appropriate communication channel to create free flow of information between the rural and urban dwellers. The communication gap that exists between the parties is not healthy for business growth.
4. Provision of accessible roads to rural areas will encourage the marketability of rural products, widen the size of the market and increase the demand for rural output.
5. Government should initiate a policy in the financial sector that will consider the conditions in the rural settings and make arrangement on how to reach them directly by granting them agricultural loans with subsidized interest rate. Evaluation of performance team should be set up for monitoring the performance of the farmers. This should be taken seriously in order to achieve results.
6. Although a lot of policies have made in the past but the evaluation aspect of it was poor. The concentration was only on talking not doing. Let us do more and talk less because hunger does not know what policy is all about.

7. Now there is no job, therefore, agric students in our universities should be made to understand the importance of that course. That one can through agriculture become a millionaire no matter the sight. Practical aspect this course should seriously encouraged.
8. Commissioner for Agriculture should be given to a person who values and cherishes agriculture in the state. This will help in improving the level of agriculture in the rural areas.

References

- Abor, J. & Quartey, P. (2010). Issues in SME development in Ghana and South Africa. *International Research Journal of Finance and Economics ISSN 1450-2887 Issue 39*,
- Agbenyegah, A. T. (2013). *Challenges facing rural entrepreneurship in selected areas in South Africa*. Thesis submitted in fulfillment of the requirements for the degree *Philosophiae Doctor in Business Administration* at the Potchefstroom Campus of the North-West University.
- Aiden . W. (2013). *Problems and prospects of establishing small scale enterprises in Nigeria*. A case study of bakeries in Enugu Urban. Unpublished work.
- Akinmutimi, T. (2013). *Nigerian's microfinance model not different from universal banking*. National mirrow.
- Akeredolu-Ale, E. O. (1995). *Integrated rural development in Nigeria: Policy issues and options*. Ibadan: Spectrum Books Ltd.
- Ashek, I. H. (2008). *Major problems faced by businesses in rural and urban*. Bangladesh: ashant0123@yahoo.com. Bhattacharya, D.K., *Research Methodology*, Excel Books, New Dehli,
- Essays, U. K. (2013). *problems of rural development in ghana economics essay*. Retrieved from <https://www.ukessays.com/essays/economics/problems-of-rural-development-in-ghana-economics-essay.php?cref=1>
- Euro Journals Publishing, Inc. [Online] Available at www.eurojournals.com/finance/htm.
- Facet. T. (2011). *Tanzania microfinance country Scan, Final report*. Zeist: The Netherlands, Washinhton.
- Henderson, J. (2002). Building the rural economy with high-growth entrepreneurs. *Economic Review -- Federal Reserve Bank of Kansas City*, 87 (3), 45-70
- Ify, H. (2015). *Nigeria declared world's 7th most populous by United Nations K.H. Vesper, Unfinished business (entrepreneurship) of the 20th century*. Coleman White Paper, USASBE National Conference, January 1999

- Joel J. D. (2013). An overview of problems of rural entrepreneurs in India, *International Journal of Advanced Research in Management and Social sciences*. 2(7), 202-208.
- Kantis, H., Ishida, M. & Komori, M. (2002). *Entrepreneurship in emerging economies: The creation and development of New Firms in Latin America and East Asia*. Washington ,DC. Inter-American Development Bank.
- Kanu, C. & Isu, G. (2015). Microfinance banks operations in Nigeria, Constraints and suggested solution. *Global Journal of Contemporary Research in Accounting*,
- Lynne.V. (2013). *Discussion and implications for children living in rural poverty auditing and Business Ethics*. 1(2), 312-331.
- Monography of Society of Research in Child Development. 78(5), 92-108
- Makanjuola, R. O. (2000). Opening address of the 10th annual conference of Nigeria Rural Sociological Association at the Conference Centre, Obafemi Awolowo University, Ile-Ife February 7.
- Mashenene, R. G., & Rumanyika, J. (2014). Business constraints and potential growth of small and medium enterprises in Tanzania: A Review. *European Journal of Business and Management*, 6(32), 72-79.
- Midfred, P. (2010). *Strengthening business development services provision in Ghana, Draft report*. London: Commonwealth Secretariat,.
- Mkhize, F. (2010). *Shaping the nation through small business: Focus on Budget 2017*. Finweek.
- Murray, I., & Haraldsdottir, L. (2004). *Developing a rural culinary tourism product: considerations and resources for success*. Paper presented at the Administrative Sciences Association of Canada, Quebec City, Quebec
- Oladipo, J. A. (2008). Agro-industry as strategy for rural development: An impact assessment of Nigeria Oil palm industry, *European Journal of Social Sciences*,. 7(1), 75.
- Obitayo, K.M.(1999). *Financing small scale manufacturing enterprises in Nigeria*. Organized by the Centre for Industrial Research and Development, Obafemi Awolowo University Ile ife.
- Peter, O, N. (2011). The problem with rural transport is that it is rural, the solution is in branding. Transport for Development World Bank site
- Read more at: <http://www.vanguardngr.com/2016/03/agricultural-revolution-ebonyi-earmarks-50000-hectares-rice-production/> Read more at:
<http://www.worldscientific.com/doi/abs/10.1142/S0218495813500039?journalCode=jec>

- Townroe, P. & Mallalieu, K. (1993). *Founding a new business in the countryside in Curran, J. and Storey, D. (eds) Small Firms in Urban and Rural Locations*. London: Routledge.
- Udo, F. (2012). Why Microfinance Banks failed in their role as Grass root and economic development. *Leadership*.
- Woldie, A., Isaac, M. J., & Saidimu, J. (2012). Challenges of microfinance accessibility by SMEs in Tanzania. *Thunderbird International Business Review*, 54 (4), 567-579.
- Williams, S. K. T. (1978). *Rural development in Nigeria*. Ile-Ife: University of Ife Press.

Appendix

Table 1: Lack of market for rural products and services hinders the growth and sustainability of rural business

Description	Frequency	FX
Strongly Agree	423	2115
Agree	250	1000
Strongly Disagree	100	300
Disagree	115	230
No opinion	10	10
Total	898	3655
Mean		4.07

Table 2: Poor management influences the performance of rural business.

Description	Frequency	FX
Strongly Agree	550	2750
Agree	310	1240
Strongly Disagree	10	30
Disagree	12	24
No opinion	16	16
TOTAL	898	4060
Mean		4.5

Table 3: Lack of infrastructures/technology affect negatively the success of rural business

Description	Frequency	FX
Strongly Agree	603	3015
Agree	280	1120
Strongly Disagree	5	15
Disagree	10	20
No opinion	-	0
TOTAL	898	4170
Mean		4.64

Table 4: lack of finance affects the survival of rural business

Description	Frequency	FX
Strongly Agree	580	2900
Agree	170	680
Strongly Disagree	50	150
Disagree	80	160
No opinion	18	18
	898	3908
Mean		4.35

Table 5: Poor location

Description	Frequency	FX
Strongly Agree	380	1900
Agree	168	672
Strongly Disagree	150	450
Disagree	180	360
No opinion	20	3402
	898	3.78

