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Ishaku Rimamtanung Nyiputen & Josephine Japheth Wubon, 2024, 2 (3):137-149

Infrastructures, Taxation and Performance of Small and Medium Scale Enterprises in Nigeria

Ishaku Rimamtanung Nyiputen, PhD
Department of Economics, Federal University Wukari, Taraba State Nigeria.
ishakurimantanung@gmail.com
+2348060554819

Josephine Japheth Wubon
Department of Economics, Taraba State University, Jalingo, Nigeria
Joybt.2014@gmail.com

ABSTRACT

This study looked at how taxes and infrastructure development affected small and medium-sized firms' performance in the Jalingo Metropolis. The specific goals were to find out whether road infrastructure has a significant impact on small and medium-sized businesses' ability to deliver goods and services, whether taxes have a significant impact on the performance of small and medium-sized businesses in Jalingo Metropolis, and whether the availability of electricity has a significant impact on the profitability of small and medium-sized businesses in Jalingo Metropolis. The survey design was employed in the investigation. 370 small and medium-sized companies in the Jalingo Metropolis were the study's population. A questionnaire was utilized to collect data, which was then analyzed using the chi-square technique. The chi-square analysis revealed that the availability of electricity has a major impact on the profitability of small and medium-sized businesses in the Jalingo Metropolis; road infrastructure has a significant impact on the delivery of goods and services by small and medium-sized businesses in the Jalingo Metropolis; and taxes have no significant impact on the performance of small and medium-sized businesses in the Jalingo Metropolis. Based on the study's findings, the government should adopt consistent tax policies that will assist the expansion of small enterprises in Jalingo- Metropolis. For the objective of creating a flourishing and dynamic small company sector, the tax rules should be adequate enough to neither burden small enterprises nor discourage voluntary compliance. Additionally, the government should adopt a tax policy that would stimulate investments in small firms. Lastly, the government should make sure that dishonest tax officials who oversee tax assessment and collection are replaced in order to prevent numerous taxes from being imposed on small enterprises.

Keywords*: Infrastructure, Taxation, performance, small and medium enterprise.*

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INTRODUCTION

Throughout the years, small and medium enterprises (SMEs) in Nigeria have functioned as a means of producing employment opportunities and alleviating poverty. Small and medium-sized enterprises (SMEs) have a key role in improving the lives of the Nigerian populace by offering employment opportunities. Additionally, they contribute to the accumulation of capital among local persons and lead to a rise in overall outputs. Small and Medium companies are vital to global economic growth and development. These enterprises normally act as a large generator of jobs and earn substantial cash from both domestic and foreign sales. The establishment of small and medium-sized firms (SMEs) is not only vital for reducing poverty, but also plays a significant role in the economic development of many countries, particularly in Nigeria. SMEs are widely accepted as a strategy of achieving sustainable industrial growth (Imoisi & Ephraim, 2013).

Considering the major contributions of SMEs to the economy, the Federal Government has developed numerous policies and programs targeted at fostering the expansion and progress of Small and Medium Enterprises (SMEs) in Nigeria. The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) was founded by the adoption of the SMEDAN Act of 2003 with the objective of supporting the growth of the Micro, Small, and Medium Enterprises (MSME) sector of the economy. The purpose of SMEDAN is to improve the access of micro, small, and medium enterprises and investors to all the required resources for their development (SMEDAN, 2019). Additional measures aimed at promoting the expansion of Small and Medium Enterprises (SMEs) in Nigeria encompass the allocation of 220 billion Naira from the Central Bank of Nigeria (CBN) for MSMEs, loans provided by the Bank of Industry (BOI) specifically for MSMEs, and the introduction of the National Enterprise Development Program (NEDEP) loan in 2013.

Following the execution of these policies and programs, Small and Medium Enterprises (SMEs) now form 96 percent of enterprises and contribute to 84 percent of employment in Nigeria. With a total number of roughly 17.4 million SMEs, they account for about 50 percent of industrial jobs and nearly 90 percent of the manufacturing sector, in terms of number of enterprises. The Small and Medium Enterprises, SMEs contributes around N38.8 trillion (48.47 percent) to the nation's Gross Domestic Product, (Small and Medium Enterprises Development Agency of Nigeria, 2018; Price Waterhouse Coopers, 2018).

Infrastructures are basic essential services that should be put in place to enable development to occur. Social and economic activities can be facilitated and sped by the presence of infrastructures. But unfortunately, the provision of infrastructures to satisfy the demand of firms is still in low demand in some parts of the country (Adenipekun, 2013).

Power/Electricity is crucially important to the effective performance and ongoing operation of small and medium enterprises. Many enterprises have moved from Nigeria to other nations due to the ongoing drop in electricity availability. Lack of power/electricity infrastructures severely affects the output and profitability of Small and Medium enterprises, (Adelakan, 2005; Akinwale, 2010; Doe & Asamoah, 2014). Voltage fluctuations and power interruptions can halt manufacturing, damage equipment's and alter product quality. Therefore, it is commonly known that insufficient power/electricity infrastructure is a serious impediment on Small and Medium enterprises performance. In the same line, due to lack of suitable transportation infrastructures, most firms find it difficult to perform to expectation as they cannot deliver the acquired goods and services at the time they are needed. Furthermore, in Nigeria there is a substantial level of displeasure with the tax system, especially at the state and local government levels. In most instances, thugs are sent to harass and intimidate business owners to force them to pay, even in situations where it is apparent that such regulations (taxes) are illegal and numerous. The amount of corruption in the tax assessment, administration and utilization has deprived the Small and Medium enterprises the benefits they ought to enjoy as tax payers.

Momoh (2017) highlighted that over 75 percent of MSMEs in Nigeria die in infancy not surviving beyond their 4th anniversary due to multitude of challenge that cannot be overcome in the SMEs sub-sector. Identifying one of these key issues, Raigama (2016) stated that various tax levied on MSMEs is a crucial element responsible for the abrupt folding up of these firms in Nigeria as these illegitimate taxes continue to swallow a huge chunk of their income (Raigama, 2016). Collaborating this, Abiola (2012) affirms that numerous taxes continue to be a key difficulty encountered by SMEs as comparable types of taxes are imposed by different tiers of government in flagrant disobedience to tax rules relating to taxes that are to be collected by each level of government in Nigeria.

Given this situation one doubts the ability of Nigerian tax system on Small and Medium scale enterprises to encourage greater investments, transition from informal to formal, and impact significantly and positively on employment generation, sales revenue, innovativeness and profitability of the micro and small enterprises in Jalingo Metropolis. It is based on these that the following question arise: Is there any major effect of electricity supply on the profitability of micro and small companies in Jalingo Metropolise? Is there any considerable influence of road infrastructure on product/service delivery of micro and small companies in Jalingo Metropolise? Does taxation greatly affect the functioning of micro and small enterprises in Jalingo Metropolise? This main objective of this essay is to evaluate the effects of infrastructural development and taxation on the performance of micro and small enterprises in Jalingo Metropolis.

The paper is organized into five sections. After this introductory piece, section two reviews related literature. The methodology is discussed in the third part. Section four provides results and discussion of findings, and finally, section five offers conclusions based on the findings and advises the way forward.

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Empirical review

2.1.1 Infrastructural development and small and Medium Enterprises performance

Akinyele, Akinyele, and Ajaguna (2016) investigated how infrastructure affects the performance of small and medium-sized companies (SMEs) in Ogun State. The study used a quantitative research technique, using a population of all 593 registered small and medium-sized firms (SMEs) in Ogun State, as reported by SMEDAN. A total of 239 questionnaires were issued to the target sample to evaluate the influence of the specified infrastructures on SMEs' performance. The stratified and basic random sample procedures were used throughout the experiment. Furthermore, the hypotheses were tested using ANOVA with the help of SPSS. The figures clearly show a considerable positive association between infrastructure and SME success. This shows that infrastructures play an important role in ensuring the smooth operation of SMEs.

Hassan, Akor, and Bamiduro (2019) explored the relationship between infrastructure and productivity in Nigerian small and medium-sized companies (SMEs). We examined the Nigerian economy using the Engle and Granger two-step cointegration approach, which we used to quarterly time series data from 1980 to 2017. During the study period, the researchers looked at the long-term equilibrium relationship between infrastructure and the production of Nigerian small and medium-sized enterprises. Power infrastructure had the greatest negative and substantial influence on SMEs' output, with a unit change in electricity generation causing SMEs' output to fall by around 0.2 units in the short term. The influence of water resources and transportation infrastructure on the productivity of small and medium-sized businesses (SMEs) has been minimal. The error correction term indicates that about 7.33E-09 of the mismatch between selected infrastructure and SMEs production in the economy is corrected yearly. The conclusion is that the production of SMEs in the country has been hampered by an infrastructural deficiency, limiting the Nigerian economy's development potential.

Muhammed and Yusuf (2017) used a survey to explore the influence of excellent electrical services on the performance of Nigerian manufacturing SMEs. According to the study's findings, power accounts for nearly 50% of the variation in productivity across Nigerian manufacturing SMEs. This reflects on SMEs' ability to optimize capacity, generate crucial employment, and stay in business.

The viability of SMEs, as well as the country's goal of becoming one of the world's top 20 economies, are dependent on the availability of functional infrastructure.

Akinson (2018) examines the impact of infrastructural amenities on the performance of SMEs in Nigeria. Quantitative research approach was used. A survey study technique was used, using a judgmental and convenience sampling process, to collect data from 200 respondents drawn from four major SMEs clusters in Lagos. The data collected through surveys were analyzed using percentages and chi-square to test the study's hypotheses. According to the data gathered, many Nigerian small and medium-sized businesses offer their own basic infrastructure.

Agu, Isichei, and Olabosinde (2018) explored how infrastructure improvement affects the growth of MSMEs. The new growth theory provided a theoretical underpinning for the investigation, while current literature indicated gaps that justified the necessity for the study. The study's population was 1067, and the Taro Yamane method was used to get a sample size of 300 MSME. The content validity of the instrument was confirmed by expert evaluations, and the reliability index was between 0.70 and 0.85 using Cronbach Alpha. The multiple regression approach was used to evaluate the three hypotheses, and the results showed that the alternate hypothesis was significant in all three hypotheses. The study shows that infrastructure upgrades have an impact on the growth of MSMEs.

Akyuz (2020) investigated the impact of infrastructure on the performance of Small and Medium Scale Enterprises (SMEs) in the Federal Capital Territory (FCT) of Abuja, Nigeria. The study used a survey research design. The population in Abuja is 5690 SMEs, and the sample size is 374 SMEs that use the sample random sampling method to identify owners or owner-managers. The study employed a questionnaire that was distributed to the participants. The statistical method used was regression. The findings demonstrated a negative and considerable impact of infrastructure on the performance of small and medium-sized firms in Abuja, Nigeria.

Akyuz and Opusunju (2020) investigated the impact of infrastructure on the performance of small and medium-sized enterprises (SMEs) in Nigeria's federal capital territory (FCT), Abuja. The study used a survey research design. The population in Abuja is 5690 SMEs, and the sample size is 374 SMEs that use the sample random sampling method to identify owners or owner-managers. The study employed a questionnaire that was distributed to the participants. The statistical method used was regression. The findings demonstrated a negative and considerable impact of infrastructure on the performance of small and medium-sized firms in Abuja, Nigeria.

2.1.2 Taxation and SME Performance

Ongayi, Muzenda, Satande, and Malatji (2021) investigated the effects of taxation policies on the performance of small and medium-sized businesses. A multiple regression model was used to examine the relationship between point-of-sale transaction taxes, mobile money taxes, and financial performance. The study data was analyzed using SPSS and EXCEL to discover the descriptive properties of the dependent and independent variables, as well as the test outcomes. According to the findings of the research, intermediate money tax transfer (IMTT) has a significant impact on the financial performance of SMEs; however, the research also found that mobile money tax transfer and bank transfer tax have a negative impact on SME financial performance. It was also discovered that there is a negative correlation between SMEs in the supply chain, since all SMESs think that mobile electronic tax transfer increases transaction costs while decreasing transaction volume.

Agu, Onwuka, and Aruomah (2019) evaluated the impact of taxation on the performance of SMEs in Aba, Abia state. A survey approach was adopted, and the questionnaire served as a tool. The survey included 162 randomly selected employees and 40 small and medium-sized business owners.

The collected data was explored using multiple regression analysis and one-sample t-tests. The findings indicate that there is a large and positive relationship between taxes and SMEs' performance, and that tax assessment, tax collection, and tax utilization all have a major impact on the performance of SMEs in Aba.

Tee, Boadi, and Opoku (2016) evaluated the impact of tax payments on the performance of small and medium-sized enterprises in the West Municipal Assembly of Ghana. The study is based on a survey of 102 managers/executives from the municipality's chosen SMEs, conducted using standardized questionnaires and interviews. The study discovered that taxes placed on small and medium-sized businesses had an influence on their profit growth, and it was also established that differences in tax rates cause price adjustments in a variety of goods and services.

Okongo (2018) investigated the effect of taxation on the financial performance of small-scale firms in Uganda. The study employed a descriptive survey design and a combination of qualitative and quantitative techniques. Qualitative and quantitative approaches were gathered. The target population was 265 SSBs in Ugenya Sub County. The study indicated that commercial entities are aware of the consequences of failing to pay tax obligations on time. The study also revealed that taxpayers choose low tax rates in Kenya in relation to financial success. According to the data, tax administration makes tax assessment more convenient for taxpayers.

Furthermore, Ocheni (2015) conducted research on the influence of tax policy on the performance of small and medium-sized firms in the Nigerian economy. The descriptive survey study technique was used, and the population consisted of sixty-eight (68) SMEs operating in Kogi State and Abuja. Descriptive statistics were used to explore the data and calculate the mean score for each scale item. Z-test statistics were used to assess the study's assumptions and found significant differences ($p < 0.05$). The investigation discovered no significant difference in the mean opinion scores of managers and accountants on the optimum tax policy to assist tax compliance by Nigerian SMEs. It was also shown that there is no significant difference in mean opinion scores between managers and accountants about the influence of tax policy on SMEs' growth.

Inim, Udoh, and Ede (2020) investigated the impact of taxation on the growth of Small and Medium Enterprises (SMEs) in Nigeria between 2007 and 2019. Data were acquired from the Central Bank of Nigeria's Statistical Bulletin and the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). The study used co-integration and error correction modeling as its analytical method. While Company Income Tax (CIT) and Value Added Tax (VAT) have been shown to have a significant influence on the growth of Nigerian SMEs, Customs and Excise Duty (CEDT) has had a limited impact. As predicted, the three components, CIT, VAT, and CEDT, were found to be inversely related to SMEs' growth.

Ocheni and Gemade (2015) investigated the effects of various taxation on the performance of small and medium-sized businesses (SMEs). Small and medium-sized firms (SMEs) have long served as a source of job creation and empowerment for Nigerians, accounting for almost half of all jobs in Nigeria as well as local capital generation. However, the death rate of these small businesses is rather high. Tax-related issues, ranging from double taxation to large tax demands, are one of the factors contributing to these premature closures. The study investigates the impact of various taxation on the survival of SMEs. The study uses a survey research design with a population of 91. The researchers calculated a sample size of 74, and data was collected via a self-administered questionnaire. This data was statistically assessed with simple percentages, and the study hypotheses were tested using ANOVA. Findings revealed The findings suggested that many taxation has a negative impact on SMEs' survival, and the link between SMEs' size and their ability to pay taxes is crucial.

2.2 Research Gap

From the study of past research, to the best of our knowledge, no one has analyzed infrastructural development, taxation and performance of Small and Medium companies in Jalingo- Metropolis of Taraba State. Thus, this study would seek to fill these gaps by studying the effects of infrastructural development and taxation on Small and Medium enterprises performance in Jalingo Metropolis, Taraba State.

2.3 Theoretical Framework

The theoretical basis for this research is based on both the financial growth theory and the human capital theory. According to the financial growth concept, smaller or younger enterprises rely on early internal funding or trade credit as sources of finance. As the firm grows, it becomes eligible to borrow both short and long-term loans for expansion. This theory is linked to the contributions of small and medium-sized enterprises in Taraba State because most small and medium-sized enterprises in Taraba State rely primarily on internal funding in their early stages and then resort to borrowings as they grow to expand their businesses in order to generate employment opportunities, sustain livelihoods, and reduce poverty.

Human capital theory is also used as the theoretical foundation for this investigation. The idea focuses on the knowledge and experiences of entrepreneurs. The common belief is that the human capital of the founder of a small or medium-sized business gives opportunities for survival. Human capital functions as a resource that makes the entrepreneur more efficient in arranging financial and material resources and drawing clients and investors to their companies. This theory is important because it addresses knowledge, capacities, and processes. For any nation to develop, there must be a positive shift in the performance of SMEs, and for businesses to prosper. It must be developed by the owner via deliberate learning, and most business failures are the result of poor management skills. As a result, it is expected that management function training may significantly minimize company failure and contribute to an enterprise's success in terms of job creation, livelihood sustainability, and poverty reduction.

3 RESEARCH METHODOLOGY

3.1 Research Design

This study utilized a survey design to identify the effects of infrastructural development and taxation on Small and Medium firms in Jalingo Metropolis, Taraba State. Survey research studies entails collecting and researching samples chosen from the population to uncover the relative occurrence, distribution and interrelations of the variables, (Ndiyo, 2005).

3.2 Study area

The study area is Jalingo- Metropolis. Jalingo metropolis consisting of two local government areas (Jalingo Local government and Ardokola Local Government Areas).Jalingo Metropolis is the capital of Taraba State. Jalingo is often described as the capital city of Taraba State in Nigeria. It has an area of 406 square kilometers and a population of 321,022 as of 2006 census.

3.3 Population of study

The target population of the study comprised of three hundred and seventy (370) randomly selected Small and Medium enterprises in Jalingo metropolis.

S/N	Groups of small scale businesses in Jalingo Metropolise	Numbers of questionnaires assigned to each business	S/N	Groups of small scale businesses in Jalingo Metropolise	Numbers of questionnaires assigned to each business
1	Hair dressing saloon	10	20	Car wash	10
2	Carpentry	10	21	Video game center	10
3	Welding	10	22	Pharmaceutical company	10
4	Furniture making	10	23	Appliance repair service	10
5	Catering services (indoor)	10	24	Sports betting Agency	10
6	Laundry	10	25	Animal feed production	10
7	Barbing saloon	10	26	Cooking gas sales	10
8	Bakery	10	27	Computer repair and accessories sales	10
9	Super market	10	28	Mobile phone sales and repairs	10
10	Photography	10	29	Rentals services	10
11	Fishery	10	30	Boutique	10
12	Restaurant	10	31	Tailoring	10
13	Cosmetic shop	10	32	Nail studio (Manicure and pedicure)	10
14	Frozen food sales	10	33	Makeup studio	10
15	Cement sales and distribution	10	34	Agricultural services	10
16	Poultry farming	10	35	Football showing centre	10
17	Transportation	10	36	Printing services	10
18	Printing and book production	10	37	Jewelries	10
19	Selling fruits (fruit sellers)	10			

Source: Researchers' computation, 2024.

3.4 Sampling technique and sample size

The simple random sampling technique will be utilized to pick the sample of three hundred and seventy (370) respondents chosen from owners of randomly selected micro and small firms in Jalingo Metroplis, in Taraba State. In Jalingo Local government, a sample of one hundred and eighty-five (185) respondents was chosen while in Ardokola Local government, a sample of one hundred and eighty-five (185) respondents was also picked. The total sample size for the study is 370 respondents.

3.5 Sources of data

The sources of data for this study were grouped into primary and secondary sources.

3.6 Instrument for data collection

The major instrument for data gathering was the questionnaire. The questionnaire reflects the research's topic which was design by the researcher with the support of the supervisor. The questionnaire will comprise two sections 'A' and 'B'. Section 'A' was designed to capture demographic information (personal data) of the respondents while Section 'B' was designed to capture items that need opinion of the respondents on the subject matter with boxes provided for respondents to tick (√) the option that best suit their opinion. Data for the study were mostly acquired using questionnaire designed to reflect four (4) point Likert scale.

3.7 Method of data analysis

The data for this research was analyzed utilizing the chi-square statistical approach with k-1 degrees of freedom, where K represents the number of categories and the explanation for using this method is because the replies are represented in categorical data. Furthermore, the chi-square as a non-parametric test is used to investigate whether or not two variables are connected.

The basic formula for chi-square is stated as thus:

$$X^2 = \frac{\sum(Of - Ef)^2}{Ef}$$

Where:
X^2 = Chi-square statistics
$\sum$ = Summation sign
Of = Observed frequencies
Ef = Expected frequencies
The degree of freedom for chi-square is computed as
$df = (r - 1)(c - 1)$
Where df = degree of freedom
c = Column
r = Row

3.8 Limitations of the study

Inadequate financing posed a major hindrance to our investigation. Also, there were obstacles in terms of obtaining access to important data and contemporary literatures in this domain. Furthermore, our study was constrained by lack of time to create a more rigorous investigation.

4.0 DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.1 Presentation of Data

TABLE 4.1: Summary of respondents

Questionnaire	Responses according to youths	Total	Percentage (%)
No. returned	365	365	98.65
Not returned	5	5	1.35
Total	370	370	100

Source: Field survey by the Authors, 2024

From table 4.1 three hundred and seventy (370) questionnaires were administered to respondents and out of this number, 365 questionnaires were returned while 5 questionnaires were not returned. The overall number of questionnaires returned was 365 representing 98.65 per cent while the total number of questionnaires not returned were 5, representing 1.35 per cent of the respondents who did not return their questionnaire.

4.2 Test of Hypotheses

Hypothesis One

There is no major effect of energy supply on profitability of micro and small companies in Jalingo Metropolis.

The Chi-square analysis was performed to test for the hypothesis while statistical package for social science (SPSS) software was utilized for the calculation of Chi-square analysis. The researcher adopted 0.05 level of significance. The decision rule is as follows:

Decision rule 1: reject null hypothesis, if chi-square calculated value is greater than the table value

at the chosen degree of freedom and the p-value is less than 0.05 chosen significance threshold.
Decision rule 2: Otherwise accept null hypothesis.

Table 4.1: Summary of Chi-square computation to show if there is a significant effect of electricity supply on profitability of micro and small enterprises in Jalingo- Metropolis

Test Statistics

Test statistics	Variables
	Electricity supply and profitability of Small and Medium enterprises in Jalingo Metropolis
Chi-Square	170.493[a]
DF	14
Asymp. Sig.	.000

Source: Field work, 2024

From Table 4.1 above, it can be noted that since the chi-square computed value of 170.493 is more than the table value of 23.68 at 14 degree of freedom and the p-value of 0.000 is greater than 0.05 chosen significance level. We consequently reject the null hypothesis which asserts that there is no substantial influence of power supply on profitability of micro and small firms in Jalingo- Metropolis. It found that there is a considerable effect of energy supply on profitability of micro and small firms in Jalingo Metropolis. This conclusion shows that energy supply has a considerable effect on the profitability of micro and small firms in Jalingo- Metropolis.

Hypothesis Two

There is no substantial effect of road infrastructures on product/service delivery of micro and small firms in Jalingo Metropolis.
The Chi-square analysis was performed to test for the hypothesis while statistical package for social science (SPSS) software was utilized for the calculation of Chi-square analysis. The researcher adopted 0.05 level of significance. The decision rule is as follows:
Decision rule 1: reject null hypothesis, if chi-square computed value is greater than the table value at the chosen degree of freedom and the p-value is less than 0.05 chosen significance threshold.
Decision rule 2: Otherwise accept null hypothesis.

Table 4.2: Summary of Chi-square computation to show if there is a significant effect of road infrastructures on product/service delivery of Small and Medium enterprises in Jalingo Metropolis.

Test Statistics

Test statistics	Variables
	Road infrastructures and product/service delivery of micro and small enterprises in Jalingo Metropolis.
Chi-Square	205.611[a]
DF	12
Asymp. Sig.	.000

Source: Field work, 2024

From Table 4.2 above, it can be noted that since the chi-square computed value of 205.611 is more than the table value of 21.03 at 12 degree of freedom and the p-value of 0.000 is greater than 0.05 chosen significance level. We therefore reject the null hypothesis which states that there is no significant effect of road infrastructures on product/service delivery of micro and small enterprises in Jalingo Metropolis and concluded that there is a there is a significant effect of road infrastructures on product/service delivery of micro and small enterprises in Jalingo Metropolis. This study suggests that road infrastructures have a substantial effect on product/service delivery of micro and small firms in Jalingo Metropolis.

Hypothesis Three

There is no significant influence of taxation on the performance of micro and small firms in Jalingo-Metropolis.
The Chi-square analysis was performed to test for the hypothesis while statistical package for social science (SPSS) software was utilized for the calculation of Chi-square analysis. The researcher adopted 0.05 level of significance. The decision rule is as follows:
Decision rule 1: reject null hypothesis, if chi-square computed value is greater than the table value at the chosen degree of freedom and the p-value is less than 0.05 chosen significance threshold.
Decision rule 2: Otherwise accept null hypothesis.

Figure 4.3: Summary of Chi-square computation to show if there is a significant effect of taxation on the performance of micro and small enterprises in Jalingo Metropolis.

Test Statistics

Test statistics	Variables
	Taxation and performance of micro and small enterprises in Jalingo Metropolis.
Chi-Square	24.014[a]
DF	15
Asymp. Sig.	.104

Source: Field work, 2024

From Table 4.3 above, it can be noted that since the chi-square computed value of 24.014 is less than the table value of 25.00 at 15 degree of freedom and the p-value of 0.104 is greater than 0.05 chosen significance threshold. We therefore accept the null hypothesis which claims that there is no significant effect of taxing on the performance of Small and Medium firms in Jalingo Metropolis and found that taxation has no significant effect on the performance of micro and small enterprises in Jalingo Metropolis. This study shows that taxation does not effect considerably on micro and small enterprises performance in Jalingo Metropolis.

4.3 Discussions of Findings

This was based on the objectives of the study and the findings of other researchers.

Objectives 1: To examine if electricity supply has a significant effect on profitability of Small and Mediums enterprises in Jalingo Metropolis.

From the data, there is a considerable effect of energy supply on profitability of Small and Medium firms in Jalingo Metropolis. The significant effect of electricity supply may be that the power supply in Jalingo Metropolis has improved marginally thus making it to impact greatly on the profitability of Small and Medium enterprises. This finding is in line with the findings of Akinyele, Akinyele and Ajaguma (2016) as well as that of Hassan, Akor and Bamiduro (2019) whose studies underlined that electricity supply influences considerably on the earnings of micro and small firms.

Objectives 2: To ascertain if road infrastructure has a significant effect on product/service delivery of Small and Medium enterprises in Jalingo Metropolis.

From the data, there is a considerable effect of road infrastructures on product/service delivery of micro and small firms in Jalingo Metropolis. This consequence may be that the roads network in Taraba State have improved due to government investment thereby making it to have a substantial effect on product/service delivery of Small and Medium enterprises in Jalingo Metropolis. This conclusion validates the result of Akinyele et al (2016) who claims that roads infrastructures has a substantial effect on the growth of micro and small enterprises.

Objectives 3: To determine if taxation has significantly affected Small and Medium enterprises performance in Jalingo Metropolis.

Finally, from the results that there is no substantial influence of taxation on the performance of micro and small firms in Jalingo Metropolis. The finding which states that taxation has no significant effect on the performance micro and small enterprises in Jalingo Metropolis maybe that the multiple taxes imposed on businesses in Jalingo Metropolis have gone a long way in reducing the income and growth potentials of these Small and Medium scale enterprises thus affecting their profits. This finding corresponds with those of Inim, Udoh and Ede (2020) and Ocheni and Gemade(2015. This finding however does not accord to those of Tee, Boadi and Opoku (2016) whose study underlined that taxation has a favorable link with earnings of small scale firms.

5.1 Conclusion

From the findings of the study, it is concluded that there is a significant effect of electricity supply on profitability of micro and small enterprises in Jalingo Metropolis, there is a significant effect of road infrastructures on product/service delivery of Small and Medium enterprises in Jalingo Metropolis and there is no significant effect of taxation on the performance of micro and small enterprises in Jalingo Metropolis.

5.2 Policy recommendations

1. Based on these research conclusions, the following recommendations are made: Government should come up with uniform tax policies that will promote development of small size enterprises in Jalingo Metropolis.
2. In order to have a dynamic and flourishing small scale business sector, the tax policy needs to be adequate such that it will neither be a burden to the small scale enterprises nor discourage voluntary compliance.
3. Government should create a tax strategy that would stimulate investments in small scale firms.
4. The government should ensure that unscrupulous tax officials who carry out tax assessment and collection are replaced so as to avoid imposition of various levies on small scale firms.
5. The Government should continue to provide good infrastructures such as strong road network, steady electricity supply, etc in the country.

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