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THE IMPACT OF FUEL SUBSIDY REMOVAL ON SMALL BUSINESSES FINANCING IN NIGERIA (A CASE STUDY OF FEDPOLY NASARAWA MICROFINANCE BANK LTD)

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Abstract

The issue of fuel subsidy removal has been a re-occurring decimal because of its economic implication for the ordinary man in the society as well as small businesses. The subsidy had been a means of cushioning the effect of economic hardship resulting from unemployment and or under employment in Nigeria. This research is to examine how this fuel subsidy removal by the federal government has affected small businesses financing in Nigeria as well as the short and long term effect on economic growth and development objectives of the country. The research will leverage on statistical models of simple regression analysis, trends, ratios and percentages to determine the implication of the fuel subsidy removal using Fedpoly Nasarawa Microfinance Bank Ltd as a case study since the removal of the fuel subsidy. Secondary sources of data will be adopted in this research, such as journals, text books, internet document, expenditure data from the microfinance bank, magazines etc. Recommendation will be made based on our findings

***Key words**: Fuel subsidy removal, Impact and Small businesses finance*

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Introduction:

Business Finance is the management of money in an organization or in a going concern which includes activities such as investing, borrowing, lending, budgeting, saving, and forecasting. There are three main types of finance: personal or consumer finance, corporate finance, public/government finance. It will also include activities which constitute different sources and application of funds or financial resources through which income are generated for growth and development

The structure of the Nigerian financial system has changed significantly both in size and complexity as a result of a contribution of factors such as changing policy, environment, technological innovation, inter-relationship between the different units or groups of units in the system as well as the interplay of market forces and some macroeconomic variables (CBN/NDIC, 1995)

However, financing the small businesses has remained daunting particularly in the third world countries. This is because small businesses lack the capacity to meet the stringent condition often requested by banks and other financial institutions, such requirement like provision of tangible collateral, transparency, efficiency in their book keeping among others. Their situation is further compounded by corruption, mis-management and inequity as the various well intended government deliberate interventions aimed at re-positioning these small businesses do not often get to the intended beneficiaries. Instead those in authority see those opportunities to enrich themselves and their political loyalist, thereby channeling the resource to where they were not intended. African competitive report (2013) cited in Ojeme (2015) identified access to finance as the most problematic factor doing business in Nigeria which is also applicable to other third world countries as a result of corruption and mismanagement.

Small business financing following the fuel subsidy removal will mean more funding requirement of the small businesses particularly in the regime of fuel subsidy removal by the federal government. The question will now be what then constitute a small business. What do we mean by small business in Nigeria and other parts of the world?

Many countries derive their definition of small business based on their role in the economy and as a result of public policies or programmes designed by government and donor agencies mandated to develop small businesses. Therefore, what may be regarded as a small business in the developed economies of Western Europe, United states, Japan etc may be considered a medium or large business in developing economy like Nigeria. The definition varies from one agency or development institution to another, depending on their policy focus.

The objective of this research is to adequately identify what constitute small business in Nigeria as well as the effect of fuel subsidy removal on the financing of these small businesses.

Whereas the Centre for Public Policy Alternatives (2011) defined subsidy as any measure that keeps prices consumers pay for a good or productbelow market levels for consumers or for producers above market level. Subsidies take different forms. Some subsidies have a direct impact on price. These include grants, tax reductions and exemptions or price controls. Others affect prices or costs indirectly, such as regulations that skew the market in favour of a particular fuel, government-sponsored technology, or research and development.

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The Organization for Economic Co-operation and Development cited in Akpanuko and Ayandele (2012) defines a subsidy as “the result of a government action that confers an advantage on consumers or producers, inorder to supplement their income or lower their costs.”

While Majekodunmi (2013) defined subsidy as any measure that keeps prices consumers pay for good or product below market levels for consumers or for producers above market price. Subsidy means benefit given by the government to individuals or businesses whether in form of cash, tax reduction or by reducing the cost of goods and services. The purpose of subsidy is to help individuals and businesses purchase/acquire essential goods and services that they may not be able to afford, under normal condition.

Put differently, fuel subsidy is a form of price manipulation whereby the government fixes the pump price of fuel for sale to consumers and pays the retailer the difference between the actual market price and the regulated or official price per litre (Iyobhebhe, 2011, Nwafor, Ogujiuba and Asogwa (2006).

The country produces about 2.4 million barrels of crude oil a day, but this is exported abroad. Due to the heavy corruption and many years of neglect, the local refineries are not functional. As a consequence, the country imports over 70% of the petrol used in the country.

Empirical evidence shows that Nigeria is the largest producer of crude in Africa, despite this positive development, successive Nigerian governments have been unable to use the oil wealth to significantly reduce poverty, provide basic social and economic services for her citizens’ need (Ering & Akpan, 2012).

Literature review:

The term small business is used to refer to Micro, Small and Medium Scale Enterprises (MSME). The definition of micro, small and medium scale enterprises (MSMEs) varies from place to place and from country to country depending on the level of economic development and the resource availability. The criteria often adopted in classifying small businesses include: capital formation, turnover, number of employees, technological advancement and innovations among others. An institution that may be referred as micro enterprise in the United Kingdom or America may qualify as small or medium scale enterprise in Nigeria. The use of these criteria as basis of classification of the enterprises is no doubt contradictory and misleading, because an enterprise that is labour intensive may have huge number of employees with less capital or turnover. Whereas another enterprise that is low labour intensive in view of technological advancement may have limited number of employees, but has huge turnover and huge capital formation. According to the World Bank report, MSMEs contribute up to 45% of total employment and up to 33% of national income in the emerging economies. According to Mustapha (2017), the Financial System Surveillances 2020 (FSS2020), considers the MSME sector strategic because of its huge potentials and contributions and development of the Nigeria economy.

According to Ihyembe (2000), in Japan, definitions are based on the particular industry; a small scale business in the manufacturing sector is one with paid up capital of 100 million

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Japanese Yen or less and staff strength of 100’ or less. While in the commercial sector, this is limited to 10 million Japanese Yen or less in paid up capital or staff strength of 50.

The 1985 Companies Act in the United Kingdom states that an enterprise with a turnover of less than $1.4 million is small, those between $1.4million and $5.75million are medium size and those over $5.75million are large. The same Act also states that firms that employed fewer than 50 workers are considered small, those that employed between 50 and 250 workers are medium size and those with over 250 workers are large.

Obviously, this definition can be misleading. For instance, inflation can make the turnover definition useless as some firms are labour intensive and so may be very big in terms of the number of people employed. Capital intensive firm may be large but with few employees. Using profit basis can also be misleading as both small and big can incur losses in a given period.

In South Africa, the MSMEs are grouped as Survivalist Enterprises, Micro Enterprises, very Small Enterprises, Small Enterprises and Medium Enterprises.

In Nigeria, asset base criterion is more popular. The Central Bank of Nigeria (2010) in its guidelines on 200 billion SME Credit Guarantee Scheme (SMECGS) defined Small and Medium Scale Enterprises as an enterprise that has asset based (excluding land) of between N5 million –N500 million and labour force between 11 and 300.

The National Policy on Micro Enterprises (MSMEs) developed by Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) with support from UNDP in 2007 describes MSMEs as follows:

Micro enterprises

According to SMEDAN (2013),Micro enterprises have between1 to 9 employees and total asset of not more than N5million excluding land and buildings. These enterprises are usually operated by sole proprietor with support from family members, business associates, apprentices and a few paid employees. Micro enterprises are easy to form because the requirement is less when compare with small and medium scale enterprises. Consequently it can be found everywhere in the informal sector of the Nigerian economy. It provide employment to large number of the population in areas such as agriculture, furniture making, textiles, leather making, metal work, art and craft, printing, wholesale, and retail trade, transport, hotel and restaurants, repairs and maintenance of vehicles, electronic, building and so on. The levels of technology and skills as well as output value are relatively very low. They are sometimes referred to as cottage enterprises. Sourcing finance from the formal sector such as banks is still difficult for micro businesses. The introductionthe microfinance banking in 2005 has provided opportunities for this category of enterprise.

Small Scale Enterprises

In the same vain SMEDAN (2013), described small scale enterprises as an enterprise engaging between 10 to 49 employees with asset base of 5 million naira but with less than 50 million naira (excluding land and buildings.) The levels of technology and skills are relatively high when compared with micro enterprises. Organizational and control system are better structured when compared with the micro scale enterprises. Smallscale enterprises may be incorporated companies or partnership firms. Small scale enterprises have the potentials as sole proprietorship or partnership. They also have better potential to source funds from the formal sector such as deposit money banks or other financial institutions when compared with the microfinance enterprises. They may be members of professional groups and trade associations such as NASSI and NASME. This category of enterprises are also found in all sectors covered by Micro Enterprises including service sectors such as schools, hospitals, publishing organizations and professional firms for lawyers, accountants, architects, etc.

Medium Scale Enterprises

This category dominates the formal sector in Nigeria. Medium scale enterprises have between 50 to 199 staff and an asset base of 50 million naira and not less than 500 million naira excluding land and buildings. They are concentrated in key sectors such as manufacturing, information and communication technology, transportation, building and construction, multiple and departmental stores, etc. They have highly developed technology and resources. They have access to many sources of finance ranging from commercial banks to development banks. They can also easily go to the capital market to source for additional capital such as equity and debenture.

As earlier mentioned, the attempt to define the small business using quantitative variables may be misleading and the use of number of employees has proven unsatisfactory in many respects. This is due to the fact that the size definition expressed in monetary terms such as turnover, asset value, profit, etc, will be raised frequently due to inflation. Also, some firms may be large in asset and turnover, but small in employment. For these reasons, a quantitative definition base on some major characteristics of small business is necessary. Therefore, a small enterprise might be defined as a firm actively managed by its proprietor in a personalized way, localized operation and with a relatively small market shares within an industry.

The World Bank has long identified access to finance as the greatest challenge in doing business in Nigeria; removal of fuel subsidy will mean additional over head cost of doing business in Nigeria. The above assertion particularly affects the micro, small and medium enterprises that ought to be the engine of economic growth and development as obtained all over the world.Government has also given reasons for the removal of fuel subsidy, explaining sharp practices. While some Nigerians are diverting the subsidized fuel to other neighboring country, other are manipulating the system claiming subsidy for the product they never brought into the country. Consequently the government expenditure on oil subsidy had risen astronomically into trillions of naira.

Removing the oil subsidy shouldn't have been a serious issue; the multimillion dollar question which concerned Nigerians are asking is what happens to the money that will be saved as a result of the removal of the oil subsidy. Government had promised to provide cushioning incentive to Nigerians in the light of this subsidy removal. However empirical evidence have shown that such government well intention Cushioning incentives never get to those it is intended, rather it would be hijack by those in authority as Nigerians have learnt from the recent EndSars protest were it was discover that the well intention palliatives provided by the federal government to cushion the effect of covid-19 had been hijacked by

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those in authority.This no doubt has created lack of confidence in the system as we have it today. Consequently, government direct intervention is not the way to go, government should just create enabling environment by formulating policies that enhance the capacity of these small businesses to access easy finance at single digit interest rate, provide infrastructure to support the MSMEs such as regular electricity supply which will reduce the cost of generating power by these small businesses, good road network to sustain the life span of the vehicles and trucks that are put on the road in the course of doing business by these small businesses.

Onwumere (2000), identified the roles small and medium scale enterprises can play in the process of economic development as follows:

i. Can act as catalyst for economic development, as they serve as an essential source of innovation.

ii. They are major source of employment for a large majority of the people, as they have capacity for generating employment.

iii. They provide training for local entrepreneurs in several areas of economic activities and ensure regular supply of potential local entrepreneur.

iv. They are a major source of domestic capital formation through the mobilization of local savingsand channeling of such to productive investment.

v. They aid the process of redistribution of income in many countries, both in terms of wages and profits.

vi. They provide intermediate or semi processed goods for use by large scale firms, through this they generate a lot of industrial linkages between local producers of raw materials and large industrial concerns.

vii. They engage in manufacturing and serve as channel for import substitution as well as promoting export.

viii. Sound development of the small business has positive implication for improved standard of living of the citizens and foreign exchange generation for further development of the economy.

ix. By serving dispersed local government markets, they provide a variety of choice to the customers, ensuring regular supply of goods and services.

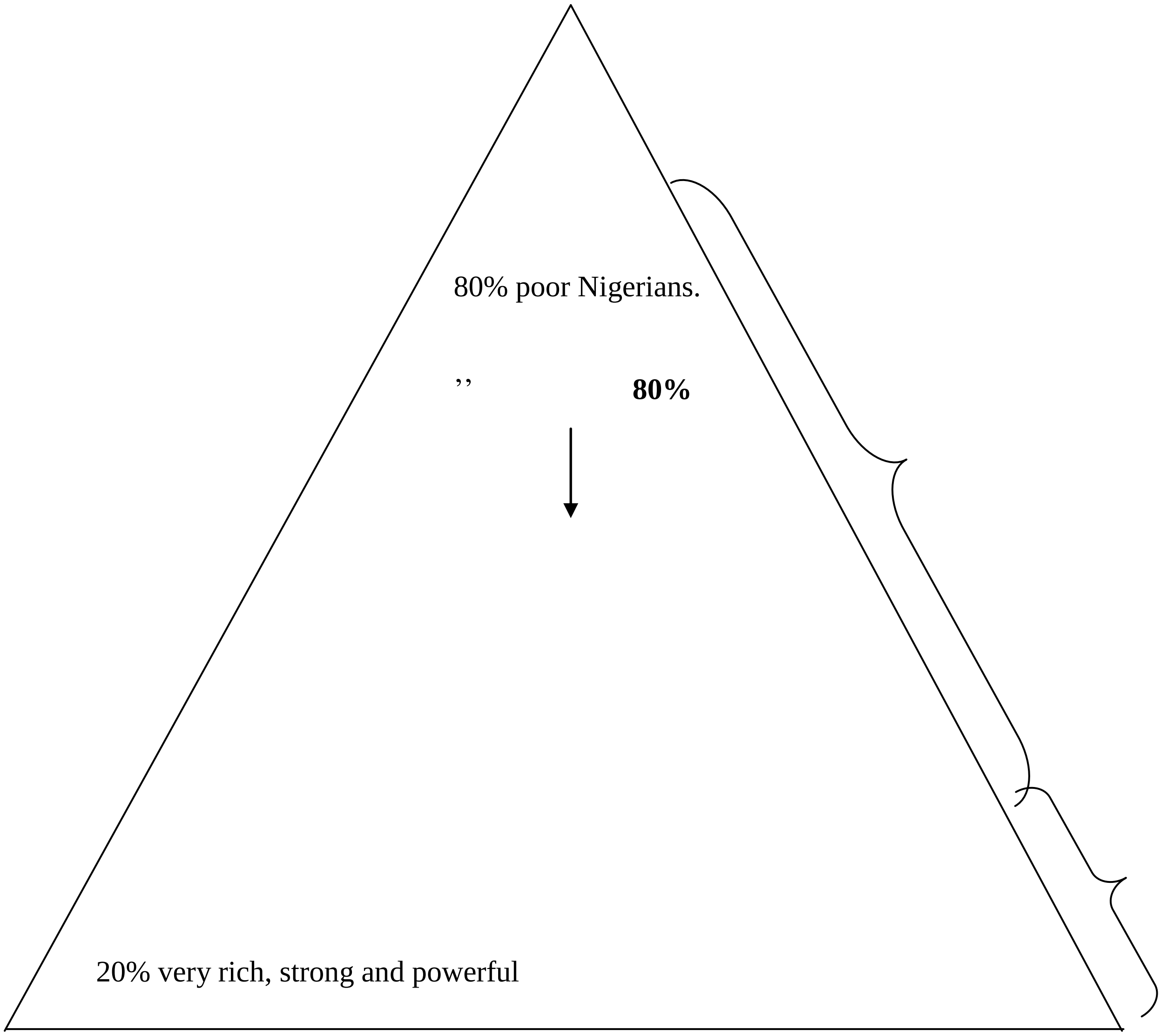
x. They also constitute a critical source of specialization for most large organizations operation in the economy.

xi. Within the context of rural development, they aid structural transformation in the rural areas.

The removal of oil subsidy could have been a good opportunity to diversify the Nigerian economy. However lack of finance remains a challenge, this is not because there is no money in Nigeria, but because the high level corruption and lack of political will to fight corruption has put us in this precarious situation that we find our self today. According to Mohammed, Hassan and Mohammed (2019), the chain of corruption in the Nigeria federal agencies is systematic and at times full proof, as public servants connived with consultants, contractors, legislators, and auditors etc to perpetuate corruption in contract process.

The National Assembly has consistently demonstrated in the 6th and 7th assembly that hasthe political will to check corruption through its power of oversight (Chukwumerije cited in Mari (2016). These corrupted Nigerians are so powerful hence there is a saying that corruption is fighting back. Some of the successful oversight carried out by the National Assembly between 2008 -2014 can attest to this fact. The research found that while about 20% Nigerians are very rich and very strong, the rest 80% are very poor and weak. Only recently Nigeria was classified the second poorest country in Africa, whereas the money alleged to have been stolen by these corrupted Nigerians can fund the budget of some of these African countries.

Nigeria Poverty triangle or pyramid



Source: Author’s drawing

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The National Assembly has consistently demonstrated in the 6th and 7th assembly that it is bereft of the political will to check corruption through its power of oversight (Chukwumerije cited in Mari (2016). Some of the successful oversight carried out by the national assembly between 2008 -2014 is as shown below:

List of Selected National Assembly Oversight Exercises, 2008 — 2014

S/No	Oversight f Function	Year Oversight was conducted	Outcome of Oversight
1. •	Senate Probe of Ajaokuta Steel Company Concession. .	2008 • •	The oversight exercise revealed that Ajaokuta Steel Company, was valued at $6b but concessioned by• the Federal Government to Global Infrastructures Nigeria Limited at a value of $525m ji4st 2years later. National Assembly recommended the reverse concession, however Federal Government was adamant.
2. .	Senate Probe on N19.5 Billion Safe Tower Aviation Project.	2008 .	Revealed complicity of top government officials (2 former Ministers inclusive) in contract inflation. The Committee recommended the prosecution of Prof. Babalola Borishade and Chief Femi Fan Kayode. But nothing came out of it
3. .	House of Representatives Probe of Energy Sector . , • ‘	2009 . .	House of Representatives investigation into the $16 billion expenditure on power reforms between 1999 and 2007 without commensurate results. The Sector was alleged to be characterized by Lawlessness, abuse of power and of the authority of public office, flagrant violations of rules and regulation in handling the energy sector. The power probe report recommended former President Olusegun Obasanjo, Senator Liyel Imoke. Former Minister of Power and Steel; Alhaji Abduihamid Ahmed. Former Minister of State for Energy; Dr. Olusegun Agagu. Former Minister of Power and Steel; Engr. Joseph Makoju. Former

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			Managing Director of PHCN; Engr. G.O.P. Osakue. CEO Transmission Company of Nigeria. (TCN); Engr. Dr. C. E. Ifesie. Project Manager NIPP; Engr. Mike Ezeudenna. AGM TCN; Engr. C. N. 0. Nwachukwu. Chair Technical Committee of NIPP; and Mr. J. A. Olotu MD, NIPP and others for prosecution by the EFCC nd the IGPC Although the trials were stalled, "many companies that abandoned sites of projects returned back to conclude the work" (Vote and Proceedings).
4. 5.	NASS Probe of World Bank Aviation Loans, 2006 Construction of Abuja 2nd Runaway at N63,000,000,000.0 0	2009 - 2010 -	The oversight reveled that $61.65b aviation intervention fund was diverted. Nothing came out of it. The Committee found out that the contract was bloated and insulated from Due Process and Julius Berger (the contractor) has no pedigree in Runaway construction, therefore the House of Representatives recommended the termination of the contract, which the Federal Government obliged.
6.	Senate Probe of Sale of Nigeria House in New York	2010	Fraudulent sale of the Nigerian I-louse, New York. The Committee recommended the reversal of the sales, yet up till date nothing is done.
7.	Senate BPE Probe l	2011	The Committee exposed shady deals perpetrated by BPE in guise of privatization exercise. The also noted most of the privatized companies became moribund after the exercise
8.	-. Senate Fuel	. 2011 •	The Committee's 45 recommendations were not considered. Joint Committee on Petroleum Resources

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.	Subsidy Probe		(Downstream) Appropriation and Finance
	. . .		Conducted the oversight. The Joint Committee found out that the NNPC paid itself the sum of N847.94 billion, after receiving N844.94 from Petroleum Products Pricing Regulatory Agency in 2011, indicative that NNPC had been paying itself double. The NNPC was found unaccountable. -77 beneficiaries' of the fuel subsidy schemed were exposed, but nothing came out of it.
9	Malabu Oil and Gas Limited .	2012 '. -	Senate' re-opened probe into the alleged round' tripping involving Federal Government, AGIP and Shell over sales of contentious 0PE243 oil block. Shell and AGIP paid $1.1 Billion into Nigeria's Foreign Account, however at instance of the Attorney General of the Federation (Mohammed Adoke) the amount was transferred to the account Malabu Oil and Gas. Mohammed Adoke and former Minister of Petroleum Dan Etete were indicted, but report is still pending.
10.	Capital Market Probe (2008-2009) - - . -. • • - - '	2012 - . •	In April, 2012 the House Committee on Capital Market and Institutions launched public inquiry into the near collapse of the Nigerian Capital Market in 2008. Ms. Arunma Oteh, the DG Security and Exchange Commission (SEC), was alleged to have incurred N200,000,000.00 in Hotel Bills and was also alleged to have been unqualified and incompetent to hold such position.

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.	- ‘ ‘ ‘ ‘ - - :.- - : - .- . - - - .. -		The Capital Market Probe report recommended the expulsion of Ms. Arunma Oteh, which was obliged by the Executive, however after independent Audit Report by the Executive, Ms. *Arunma* Oteh was returned as DG SEC, despite the Outcry of the National Assembly. Sequel to this action by the Executive, the National Assembly refused to provide budgetary allocation for the Commission in 2013, however the SEC conducted its activities for the year 2013 without hitch.
11.	- House of Representatives Probe into Aviation Ministry over a N9 billion contract	2013	Connivance between Aviation Ministry and Bureau of Public Procurement circumventing due process in awarding contracts ‘

Source: NSUK Postgraduate Research Journal vol.3 Number 1, 2019

One wonders, in a country where over 80% of the people are living in abject poverty and the existence of high level of unemployment of theMSMEs which ought to be the engine of economic growth and development through creation of job opportunities are starvedof the much needed finance as well as other opportunities often created by government. Whereas those in authority often use their priviledged positions to divert the common wealth of the people. In view of the already existing financial challenges even before the removal of oil subsidy this will no doubt increase the over head cost on the MSMEs and limit the ability of the small business to contribute to economic growth and the most needed development. No doubt the country lacks the political will to fight this endemic corruption that has limited the development of the country.

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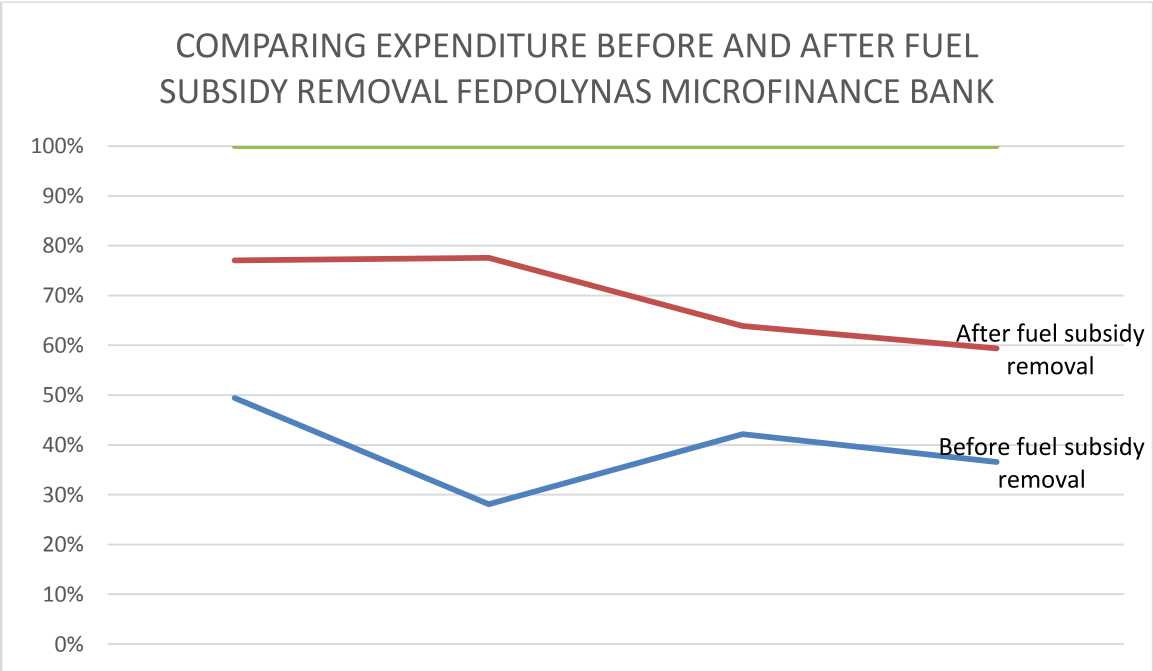
Corresponding period before subsidy removal in 2019 and after subsidy removal in 2020

EXPENSE	**2019**	***2020***
Police/ Security Guards	1,401,300.00	*1,780,700*
Postage. Telephone bills	181,850.00	*192,840.00*
Fuel –bank vehicle	399,400.00	*626,920.00*
Repair/maintenance of office equipment	325,100	*377.950.00*
Printing/ stationeries and office consumables	1,166,460.00	*1,275,080.00*
Generator repair and fueling	709,500.00	*726,850.00*
Newspapers/periodicals	48,600.00	*37,200.00*
Local transportation	17,500.00	*31,000.00*
Advertisement and publicity	65,000.00	*219,500.00*
Other bank charges	3,013,594.88	*2,300,148.54*
Motor vehicle repair and maintenance	175,700.00	*322,700.00*
Repairs-Bank premises	151,000.00	*259,400.00*
Laundry/ cleaning	27,450.00	*51800.00*
Pension contribution expenses	708,500.00	*783,400.00*
SMS Expenses	1,066,288.40	*1,093,404.50*
Subscription expenses	875,911.25	*1,063,470.50*
Travelling and Accommodation	459,500	*461,000.00*
Consultancy, corporate fee, levies & legal expenses	402,982.75	*306,778.13*
Total	11,195,637.28	*11,910,141.67*

Source: Fedpoly Nasarawa Microfinance Ltd



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Source: Author's computation.

The trend above shows the overhead cost of the micro finance bank before and after the oil subsidy removal. While the line below depicts the period the oil subsidy was in place, however when the subsidy was removed with the same time period the following year, the overhead cost jumped up.

The space between the two lines represent the increase in overhead cost occasioned by the removal of oil subsidy. Government had promised to introduce incentives to cushion the effect of this subsidy removal. This research will recommend that government make policies that will enhance access to finance to these MSMEs instead of direct intervention or hand out as the purpose may be defeated due to corrupt practices of those in authority.

Conclusion:

That the MSMEs are the engine of economic growth and development is not a subject of debate. However, this segment of the development process has been constrained by financial exclusion in Nigeria. The financial exclusion occasioned by inadequate policies to support access to finance at single digit interest rate. Corruption and mismanagement which have consistently prevented majority of these MSMEs from benefiting from all the government well intentioned interventions geared towards the development of this sector. This research noted the events that followed the EndSars protest in 2020, where it was discovered that the palliatives provided by government to cushion the effect of Covid19 lockdown to those considered the most vulnerable had been hoarded by those in authority. This discovery is a replica and vicious cycle of past events happening to all interventions that government has been providing to address the challenges of these MSMEs in Nigeria. Nigeria is not a poor country, according to the former president of Nigeria Dr Ebele Goodluck Jonathan; he openly acknowledged the fact that Nigeria is not a poor country, contrary to the International Monetary Fund (IMF) ranking of Nigeria as the 5th poorest country in the world. He posited with emphasis that the only problem is inequality and financial exclusion of the majority of the population; (Ojeme, - 2017). Only recently the Transparency International report on corruption index ranked Nigeria as the 2nd most corrupt country in West Africa, after Guinea - Bissau and 149 out of 179 in the whole world. This research posits that all these monies above alleged to have been stolen by corrupted politician can fund the annual budget of some countries in Africa. Recently, it was in the news that Nigerian government wantsto use unclaimed divided in the stock exchange market and dormant account balances in our deposit money banks to fund the 2021 budget.

This is ridiculous and portend danger, under the Nigerian law there is no place for account dormancy, account dormancy is just a creation of the deposit money banks to protect itself against unauthorized access to such fund in the absence of the rightful owner of the account. Each bank determines the period of time the customer will absent him/herself before classifying such account as dormant (it could be three months, six months, one year as the case may be). Such account during the dormancy can accept deposit without withdrawal. All that the customer needs to do to have access to his money whenever he appears is to write a letter for reactivation with proper identification and he gets his money. If this move to use the money to fund the budget materializes, knowing so well that banking business is built on confidence and confidentiality; one wonders what will become of banking business in

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Nigeria. The much talked about financial inclusion being canvassed all over the world will become a mirage in Nigeria. Secondly, the unclaimed dividends are mostly investment made on-behalf of non-residence in Nigeria. The signatures of the investor are different from that of their agents through whom the investment was made. Most of the registrars have made the process of legalization of these signatures difficult resulting in unclaimed divide. This idea to use the money to fund the budget will be counterproductive; it will discourage Nigerians from investing in the capital market.

The question now is since we have removed the oil subsidy, a huge sum have been saved, why going for unclaimed divided and dormant account in the banking system?

Recommendations:

Removal of oil subsidy is not completely bad considering the reason the government has given for the removal of the subsidy. However, if the fund that will be saved as a result of the removal will be judiciously utilized. This research has shown that government has no business in direct intervention or hand out in an attempt to cushioning the effect of oil subsidy removal. Experience has shown that whenever government attempts to reach out to the people through direct intervention, the people in authority would seize the opportunity to further enrich themselves at the expense of the people. Consequently this research recommends as follows:

i. Government should play the role of enabler by making policies that will impact positively on the people including the MSMEs. Such policies as reduction of interest rate to single digits and making finance accessible to these MSMEs driven by market forces, instead of direct government interventions and hand-outs.
ii. Provision of steady power supply – the MSMEs need power to carry out their operations. Steady power supply will reduce the cost of running generator which no doubt form a major cost to these small businesses. If the cost of running generator is adequately reduced, that will be a cushion of the oil subsidy that has been removed.
iii. Improvement on other infrastructures- infrastructures such building good roads that will stand the test of time. Good road will definitely reduce the cost of these MSMEs vehicles and trucks which sustain the life of these vehicles and trucks which will consequently reduce the overall cost of doing business by these MSMEs.
iv. Since government is now saving money through oil subsidy removal, government should consider tax incentives to these MSMEs for a period of time instead of direct intervention that may not reach the intended small businesses.
v. Government can also reduce the cost of incorporation of these small businesses as cushioning incentives and encouragement to establish these small businesses instead of direct hand outs which may never reach the intended MSMEs.
vi. Government should as a matter of urgency repair the four Nigeria refineries to eliminate or reduce importation of petroleum oil, thereby funding actual cost of refined petrol at home, given that Nigeria is rich in crude oil production.
vii. Regular payment of government workers salaries and entitlements both at local, state and federal levels of government since they are the ultimate patronizers of the small businesses. Where the workers' salaries are in arrears, the small businesses may produce without market or buyer and consequently lack the ability to create jobs.

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viii. It is also recommended that the government should take a holistic actionat our educational infrastructures for total upgrade; whatever that is causing unabated strike in our tertiary institutions should be addressed without further delay. Education should be the right of every Nigerian child, a situation where the student know when to start, but does not know when to graduate is dangerous and retrogressive.

ix. Diversification of the Nigeria economy, knowing fully well that the demand for petroleum oil is inelastic it calls for urgency in the process of diversifying the economy. The developed world or the western world is presently developing other energy sources which means that in the next couple of years the demand for petroleum will be on serious decline. If we don't prepare now we will be found off guard and that will mean catastrophe for Nigeria.

x. There must be strong political will to fight corruption, otherwise Nigeria is going nowhere. Those powerful politicians alleged to have stolen public funds must be made to account for it. They must be prosecuted and where possible recover the funds to serve as a deterrent for others who may be nursing the idea when opportunity presents itself.

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