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SOCIO-ECONOMIC IMPACT OF SMALL-SCALE INDUSTRIES IN OGBOMOSO TOWNSHIP, OYO STATE, NIGERIA

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Abstract

The role of the small scale industries in peoples' socio-economic development cannot be over emphasized. Small scale industries play a considerable role in the employment of manpower and productivity, distribution of income through increased investments and profits. This study evaluates socio-economic impacts of small scale industries in Ogbomoso Township. It examines the adequacy, and dispositions of people towards the existence of small scale industry. The study used primary data which were generated from random sampling of 145 residents using structured questionnaire. The data collected were analysed using descriptive statistics inform of frequency counts in percentages. Regression analysis was used to examine relationship between socio-economic characteristics of people and number of small scale industry. Findings reveal that small scale industries were fairly in existence as noted by 2.6919 mean computation of respondents. It was also found out that majority of small scale industries (60.7%) were owned by the private individuals. Results also indicated that 48.3% of respondents claimed that the small scale industries generated employment for the people of the town. Problem of inadequate finance is one of the major challenges that residents described as militating against the development of small scale industries in the study area. Finding from regression analysis (R^2=0.817) indicated that 81.7% of the variability in observed number of small scale industries is explained by socio-economic characteristics. This implies that existence of small scale industries has no doubt boosted the socio-economic characteristics of residents. Adequate funding and provision of infrastructure among others by government were suggested for effective improvement of small-scale industries in the study area

Keywords: Socio-economic characteristics, Small scale, Industry, Enterprises

Introduction

Small scale enterprises, are a vital part of the Nigeria economy. There is no doubt that small scale industry, as a veritable tool for rural and urban communities' development has attracted a lot of attention and comments from various schorlars, and governmental institutions. This implies that a lot has been said and written on small scale industry, particularly now that the government has placed emphasis on Self-employment as a means of achieving national development. In realization of the importance of the small-scale industries in economic development, the Federal and State Governments in their industrial policy stated that cities and townships will hence forth made to feel the positives impact of industrial development through a programmed of rational dispersion of industries to cover the neglected areas of the country. The government believes that such dispersion of small-scale industries provide employment opportunities, hence reducing the unemployment problem.

The small scale industries division of the Federal Ministry of industries defined small scale industries as enterprises having investment capital (investment in land, building, machinery and working capital) of up to 60,000 naira and employing not more than fifty (50) people. This definition was later revised to embrace all manufacturing units with a total capital investment (excluding cost of land) up to 750,000 naira but including working capital, and paid

employment of up to 50 persons. (Ayuba, 1989). Thus such an establishment must be wholly Nigerian-owned (all companies in schedule 1 of the 1977 Nigerian Enterprises Promotion Decree (NEPD)). In addition, manufacturing units exceeding the limit of investment and employment as stated above may still be considered a small business if the scale of output is relatively small compared to prevalent size of plants and the technology is fairly labor-intensive. This study therefore examines the socio-economic impacts of small scale industries in Ogbomoso, Nigeria.

Materials and Methods

The study area

Ogbomoso Town is located approximately on 4° 15' east longitude and 8° 7' latitude. The town is situated on an important transport route linking the north and south of Nigeria, and towns in the southwest region. Ogbomoso is 53 kilometres from Oyo on the northeast, 57 kilometres southwest Ilorin in Kwara state, 104 kilometres northwest of Ibadan the Oyo state capital and 58 kilometres northwest of Osogbo the Osun state capital. Ogbomoso is an administrative, political and traditional centre for all the rural communities within its jurisdiction.

Ibrahim et al., (2018) noted that Ogbomoso is characterized by a fairly uniform temperature across year (12 moths). The seasonal rainfall and relative humidity are moderate as well. Only daily rainfall records are kept in the town, but measurements from close climatologic stations in Ilorin and Osogbo are considered to be representative of the region. The mean annual temperature is 26.20degree C. the lowest temperature are experienced in August with 24.3°C as mean and the highest in march with a mean of 28.7 °C the regions around Ogbomoso have two season like other areas in the southwest of Nigeria. These include:

i. The wet season between April and October.

ii. The dry season between November and March.

Ogbomoso lies within the western uplands. The large part of this plateau lies between 300 and 650 metres above sea level. The relief of Ogbomoso is moderate with low-forested hills, but occasionally very steep sided ridges rise abruptly from the surrounding country. Ogbomoso is situated in the transitional zone between the rainforest of Ibadan geographical region and the northern savannah zone. They are therefore regarded as the derived savannah. The existing land use in Ogbomoso is characterized by compact development of residential zones. The land use is typical of any urban settlement where a large proportion of the developed land is devoted to residential use and only a small proportion is used for commercial, industrial and other uses. At present Ogbomoso occupies a land area of 3527 hectares (Ibrahim et al., 2018).

Methods of data collection and analysis

The study used both secondary and primary sources of information. The secondary information were through literature review on the subject matter, while the primary sources involved: first, a reconnaissance survey of the study area to determine the existence of small scale industry activities; second, about 145 structured questionnaire designed were administered to solicit information on the adequacy of small scale industry; its impact in the town; and factors militating its development in the area. A Random sampling technique was used to solicit information using questionnaire. Data collected, were subjected to descriptive and inferential statistical analysis. The descriptive statistics include frequency counts in percentages where results are put in tables. Regression analysis was used to examine relationship between socio-economic characteristics of people and number of small scale industry in the study area.

Research Findings

Inventory and adequacy of small scale industries in the study area

Under this sub-section of the study, attempt is made to examine the inventory of small scale industries in existence in the study area.

Table 1 shows the list of the small scale industries as given by respondents in the study area. According to the table, 11%, 17.9%, 17.2% and 9.7% of respondents mentioned saw mill, block making, cassava processing and oil farm. Another 3.4%, 4.1%, 2.1% and 9.0% of respondents identified calabash carving, coal making, soap making and bakery, while 3.4%, 9%, 10.3% and 2.8% of respondents reported the existence of printing press, mechanic workshop, tailoring shop and other industries respectively.

Table 1: List of Small Scale Industries in the Study Area

S/N	Industries	Frequency	Percentage (%)
1	Saw Mill	16	11.0
2	Block Making	26	17.9
3	Cassava Processing	25	17.2
4	Oil Farm	14	9.7
5	Calabash making	5	3.4
6	Coal making	6	4.1
7	Soap making	3	2.1
8	Bakery	13	9.0
9	Printing press	5	3.4
10	Mechanic workshop	13	9.0
11	Tailoring shop	15	10.3
12	Others	4	2.8
	Total	145	100

Source: Authors' Fieldwork, 2018

Table 2: Residents' perception of Adequacy of Small Scale Industry

S/N	Industries	Ranking					NR (f)	SWV	MWV
		5	4	3	2	1			
1	Saw Mill	30	76	135	106	22	145	369	2.5448
2	Block Making	35	116	147	90	15	145	403	2.7793
3	Cassava Processing	50	84	174	92	10	145	410	2.8276
4	Oil Farm	30	60	147	122	14	145	373	2.5724
5	Calabash making	10	64	138	116	23	145	351	2.4207
6	Coal making	5	88	174	100	14	145	381	2.6276
7	Soap making	10	60	192	106	11	145	379	2.6138
8	Bakery	75	132	138	28	4	145	377	2.6
9	Printing press	20	52	147	112	23	145	354	2.4414
10	Mechanic workshop	35	116	198	74	6	145	429	2.9586
11	Tailoring workshop	80	140	213	40	3	145	476	3.2828
12	Others	10	80	183	94	15	145	382	2.6345
	Total								**32.303**

Mean of ΣMWV/n = 32.303/12 = 2.6919

Source: Authors' Fieldwork, 2018

Table 3: Ownership of Small Scale Industries in the study area

Ownership	Frequency	Percentage (%)
Individual	88	60.7
Private Organization	48	33.1
Government	9	6.2
Total	145	100

Source: Authors' Fieldwork, 2018

Table 4: Household Patronage of Small Scale Industries

Patronage	Frequency	Percentage (%)
Yes	125	86.2
No	20	13.8
Total	145	100

Source: Authors' Fieldwork, 2018

To examine adequacy of small scale industry, attempt is made to adopt a surrogate for rating adequacy of small scale industry in the study area. Twelve variables (industries) were identified as indicated in Table 2. They are saw mill; Block Making; Cassava Processing; Oil Farm; Calabash making, Calabash making; Coal making; Soap making; Bakery; Printing press; Mechanic workshop; Tailoring workshop; and other industries.

The scaling of adequacy rating involves a method reminiscent of Likert scaling method to weight the ordinal rating of respondents converting the data into interval type which is more reliable in making conclusions and for parametric tests. Weights of 5, 4 3 2, 1 was attached to "very adequate", "adequate", "fairly adequate", "not adequate", "not at all adequate".

It is observed in table 2 that existence of tailoring workshop has the highest mean weighted value of 3.2828. This implies that existence and adequacy of tailoring workshop of different kinds are highly in existence and adequate in the study area. This situation is followed in decreasing order by Mechanic workshop which has mean weighted value of 2.9586., Cassava Processing (2.8276); Block making (2.7793) among others, indicating decreasing level of adequacy of small scale industry in the study area. Moreover, the small scale industry which has highest feeble adequacy mean weighted value is Calabash making with 2.4207.

The overall mean value computed for small scale industry adequacy is **2.6919**. This implies that mean responses of the people were above average indicating that small scale industry were fairly or averagely in existence. This situation no doubt is not too good at a moderate extent. This is because residents may have to pay high for the services of small scale industry.

Concerning the ownership of the small scale industries in the study area, respondents as shown in table 3 gave accounts for the fact that individual (60.7%) owns these industries, while 33.1% and 6.2% of respondents stated that small scale industry is owned by private organization and government respectively. It is observed that majority of respondents are of the opinion that small scale industries are owned by the individual in the study area.

Table 4 shows household patronage of small scale industries as given by the respondents. Accordingly, 86.2% of respondents noted yes, while the remaining 13.8% of respondents stated otherwise. The implication of these as observed here is that there is high level of household patronage of small scale industries in the study area.

Disposition of Residents to Small Scale Industrialization

In this section, attempt is made to give comprehensive analysis of the household response to small scale industrialization in Ogbomoso Township. We are interested in knowing the ownership nature of these small scale industries, desirability to be a worker and advertiser of these industries. These shall be explained across different socio-economic backgrounds.

In table 5, the willingness of people to get involved in the ownership of small scale industries according to their gender is situated. According to male respondents, 2.7%, 5.4%, 40.5, 33.8% and 17.6% of them reported very low, low, moderate, high and very high responses for owning small scale industries. Concerning female, 8.5%, 11.3%, 33.8%, 23.9% and 22.5% of respondents declared their interest to own small scale industries to be very low, low, moderate, high and very high respectively. It is observed here that male respondents are those that are more interested in the ownership of small scale industries in the study area.

Table 5: Gender and Ownership of Small Scale Industries

Gender		Owner					Total
		Very Low	Low	Moderate	High	Very High	
Male	N	2	4	30	25	13	74
	%	2.7	5.4	40.5	33.8	17.6	100
Female	N	6	8	24	17	16	71
	%	8.5	11.3	33.8	23.9	22.5	100
Total	N	8	12	54	42	29	145
	%	5.5	8.3	37.2	29.0	20.0	100

Source: Author's Fieldwork, 2018

Table 6: Gender and Worker of Small Scale Industries

Gender		Worker					Total
		Very Low	Low	Moderate	High	Very High	
Male	N	7	21	23	22	1	74
	%	9.5	28.4	31.1	29.7	1.4	100
Female	N	7	21	26	15	2	71
	%	9.9	29.6	36.6	21.1	2.8	100
Total	N	14	42	49	37	3	145
	%	9.7	29.0	33.8	25.5	2.1	100

Source: Author's Fieldwork, 2018

Table 7: Gender and Advertiser of Small Scale Industries

Gender		Advertiser					Total
		Very Low	Low	Moderate	High	Very High	
Male	N	12	19	17	24	2	74
	%	16.2	25.7	23.0	32.4	2.7	100
Female	N	8	19	29	11	4	71
	%	11.3	26.8	40.8	15.5	5.6	100
Total	N	20	38	46	35	6	145
	%	13.8	26.2	31.7	24.1	4.1	100

Source: Author's Fieldwork, 2018

Table 8: Education and Ownership of Small Scale Industries

Educational Level		Owner					Total
		Very Low	Low	Moderate	High	Very High	
No formal	N	1	0	6	5	9	21
Education	%	4.8	0.0	28.6	23.8	42.9	100
Primary	N	3	3	12	9	3	30
	%	10.0	10.0	40.0	30.0	10.0	100
Secondary	N	2	4	15	14	6	41
	%	4.9	9.8	36.6	34.1	14.6	100
Tertiary	N	2	4	20	13	9	48
	%	4.2	8.3	41.7	27.1	18.8	100
Others	N	0	1	1	1	2	5
	%	0.0	20.0	20.0	20.0	40.0	100
Total	N	8	12	54	42	29	145
	%	5.5	8.3	37.2	29.0	20.0	100

Source: Author's Fieldwork, 2018

Table 9: Education and Worker of Small Scale Industries

Educational Level		Worker					Total
		Very Low	Low	Moderate	High	Very High	
No formal	N	0	7	6	8	0	21
Education	%	0.0	33.3	28.6	38.1	0.0	100
Primary	N	2	9	10	9	0	30
	%	6.7	30.0	33.3	30.0	0.0	100
Secondary	N	4	11	15	11	0	41
	%	9.8	26.8	36.6	26.8	0.0	100
Tertiary	N	8	14	17	6	3	48
	%	16.7	29.2	35.4	12.5	6.3	100
Others	N	0	1	1	3	0	5
	%	0.0	20.0	20.0	60.0	0.0	100
Total	N	14	42	49	37	3	145
	%	9.7	29.0	33.8	25.5	2.1	100

Source: Author's Fieldwork, 2018

Just like responses of household in the ownership of owning small scale industries, male was also found on the majority side concerning those who are willing to be the workers of these small scale industries as shown in table 6 above. According to the table, male respondents who reported very low, low, moderate, high and very high for willingness to be workers of industries are 9.5%, 28.4%, 31.1%, 29.7% and 1.4% respectively. The female counterparts who are 9.9%, 29.6%, 36.6%, 21.1% and 2.8% noted their intention to be very low, low, moderate, high and very high respectively as responses to be workers of small scale industries in the study area.

Talking about whose gender is more interested in becoming advertiser of small scale industries in the study area, table 8 shows that 16.2%, 25.7%, 23%, 32.4% and 2.7% of male respondents revealed very low, low, moderate, high and very high, while female respondents whom are 11.3%, 26.8%, 40.8%, 15.5% and 5.6% reported very low, low, moderate, high and very high respectively for them to be advertiser of the small scale industries in the study area. It can also be deduced from this table that male respondent

constituted majority among those who are willing to get involved as advertiser of the small scale industries in the study area.

In table 8, the level of education of respondents were examined concerning their willingness to own the small scale industries in the study area. According to the table, it is observed that 27.1% and 18.8% of respondent with tertiary education reported high and very high for the fact that they are ready to get involved in ownership of small scale industries in the study area. This means that generally, people who have tertiary education are those who are more interested in owning small scale industries in the study area.

Educational level and tendency to be a worker of small scale industries according to the respondents is contained in table 9 above. According to the table, 26.8% of respondents who have secondary education found to have reported high responses for willingness to be a worker of small scale industries in the study area. This is followed closely by the respondents who have tertiary education (12.5%) in the study area. Meanwhile, one may be tempted to report here that people who have secondary education are majorly found to have shown more interest in working in these small scale industries in the study area.

The willingness of respondents according to their educational level to get involved in small scale industries as advertiser is contained in table 10 above. It is observed from the table that 24.4% and 7.3% of respondents who have secondary education noted their intention to be high and very high, followed closely by those who have tertiary education (high 25%). The implication of this is that respondents who have secondary education accounted for highest proportion for those who want to get involved in small scale industries by virtue of advertiser in the study area.

Table 10: Education and Advertiser of Small Scale Industries

Educational Level		Advertiser					Total
		Very Low	Low	Moderate	High	Very High	
No formal	N	4	5	6	5	1	21
Education	%	19.0	23.8	28.6	23.8	4.8	100
Primary	N	5	7	11	7	0	30
	%	16.7	23.3	36.7	23.3	0.0	100
Secondary	N	6	10	12	10	3	41
	%	14.6	24.4	29.3	24.4	7.3	100
Tertiary	N	5	13	16	12	2	48
	%	10.4	27.1	33.3	25.0	4.2	100
Others	N	0	3	1	1	0	5
	%	0.0	60.0	20.0	20.0	0.0	100
Total	N	20	38	46	35	6	145
	%	13.8	26.2	31.7	24.1	4.1	100

Source: Author's Fieldwork, 2018

Table 11: Occupation and Owner of Small Scale Industries

Occupation/ Profession		Owner					Total
		Very Low	Low	Moderate	High	Very High	
Farming	N	1	1	8	10	10	30
	%	3.3	3.3	26.7	33.3	33.3	100
Artisan	N	3	6	10	12	10	41
	%	7.3	14.6	24.4	29.3	24.4	100
Civil Servant	N	1	3	23	12	4	43
	%	2.3	7.0	53.5	27.9	9.3	100
Student	N	3	2	13	8	5	31
	%	9.7	6.5	41.9	25.8	16.1	100
Total	N	8	12	54	42	29	145
	%	5.5	8.3	37.2	29.0	20.0	100

Source: Author's Fieldwork, 2018

Table 12: Occupation and Worker of Small Scale Industries

Occupation/ Profession		Worker					Total
		Very Low	Low	Moderate	High	Very High	
Farming	N	3	8	8	11	0	30
	%	10.0	26.7	26.7	36.7	0.0	100
Artisan	N	3	13	12	12	1	41
	%	7.3	31.7	29.3	29.3	2.4	100
Civil Servant	N	2	13	19	8	1	43
	%	4.7	30.2	44.2	18.6	2.3	100
Student	N	6	8	10	6	1	31
	%	19.4	25.8	32.3	19.4	3.2	100
Total	N	14	42	49	37	3	145
	%	9.7	29.0	33.8	25.5	2.1	100

Source: Author's Fieldwork, 2018

Table 13: Occupation and Advertiser of Small Scale Industries

Occupation/ Profession		Advertiser					Total
		Very Low	Low	Moderate	High	Very High	
Farming	N	4	6	7	10	3	30
	%	13.3	20.0	23.3	33.3	10.0	100
Artisan	N	4	11	13	12	1	41
	%	9.8	26.8	31.7	29.3	2.4	100
Civil Servant	N	6	15	15	7	0	43
	%	14.0	34.9	34.9	16.3	0.0	100
Student	N	6	6	11	6	2	31
	%	19.4	19.4	35.5	19.4	6.5	100
Total	N	20	38	46	35	6	145
	%	13.8	26.2	31.7	24.1	4.1	100

Source: Author's Fieldwork, 2018

The occupation of respondents was also examined in relation to household responses to own small scale industries in the study area. Table 11 shows that 29.3% and 24.4% of respondents who are artisan reported high and very high for the fact that they are willing to involve in small scale industries by way of owning them. In actual fact, artisan were found majorly in the study area who are ready to own small scale industries in the study area as noted by most of the respondents.

Table 12 shows that artisan with proportion of 29.3% and 2.4% are found to have reported high and very high responses for the willingness to get involved in small scale business as worker. This is followed closely by the farmers (36.7%), while civil servant was also reported 18.6% of high for willing to get involved as a worker in the small scale industries business. Generally, it necessary to report here that artisan is found majorly to have nurtured interest in becoming worker for the small scale industries business in the study area.

Concerning the occupation of respondents and their willingness to involve in small scale industries as advertiser, table 13 shows that 29.3% and 2.4% of respondents who are artisan noted high and very high for insinuation that they are interested to be advertiser of small scale industries in the study area. It could be noted that farmers were also reported high (33.3%) and very high (10%) for disposition to be advertiser of small scale industries. It can therefore be deduced from the table that majority of respondents who are artisan were said to have involved in the small scale industries business as advertiser in the study area.

The disposition of respondents to own small scale industries based on monthly income according to respondents is presented in the table 14 above. According to the table, 33.3% and 28.2% of respondents who are earning between #5,100 and #10,000 reported high and very high respectively for owning small scale business in the study area. This is followed by respondents who earn #10,100-#20,000 in which 23.7% each reported high and very high for involvement in owning small scale industries in the study area.

Table 14: Monthly Income and Owner of Small Scale Industries

Monthly Income		Owner					Total
		Very Low	Low	Moderate	High	Very High	
Below #5,000	N	3	1	7	8	3	22
	%	13.6	4.5	31.8	36.4	13.6	100
#5,100-#10,000	N	1	2	12	13	11	39
	%	2.6	5.1	30.8	33.3	28.2	100
#10,100-#20,000	N	0	4	16	9	9	38
	%	0.0	10.5	42.1	23.7	23.7	100
#20,100-#30,000	N	4	3	10	10	4	31
	%	12.9	9.7	32.3	32.2	12.9	100
#30,100 & above	N	0	2	9	2	2	15
	%	0.0	13.3	60.0	13.3	13.3	100
Total	N	8	12	54	42	29	145
	%	5.5	8.3	37.2	29.0	20.0	100

Source: Author's Fieldwork, 2018

Table 15: Monthly Income and Worker of Small Scale Industries

Monthly Income		Worker					Total
		Very Low	Low	Moderate	High	Very High	
Below #5,000	N	3	7	6	6	0	22
	%	13.6	31.8	27.3	27.3	0.0	100
#5,100-#10,000	N	5	13	10	10	1	39
	%	12.8	33.3	25.6	25.6	2.6	100
#10,100-#20,000	N	2	8	17	11	0	38
	%	5.3	21.1	44.7	28.9	0.0	100
#20,100-#30,000	N	4	9	8	9	1	31
	%	12.9	29.0	25.8	29.0	3.2	100
#30,100 & above	N	0	5	8	1	1	15
	%	0.0	33.3	53.3	6.7	6.7	100
Total	N	14	42	49	37	3	145
	%	9.7	29.0	33.8	25.5	2.1	100

Source: Author's Fieldwork, 2011

Table 16: Monthly Income and Advertiser of Small Scale Industries

Monthly Income		Advertiser					Total
		Very Low	Low	Moderate	High	Very High	
Below #5,000	N	4	6	4	7	1	22
	%	18.2	27.3	18.2	31.8	4.5	100
#5,100-#10,000	N	6	10	12	7	4	39
	%	15.4	25.6	30.8	17.9	10.3	100
#10,100-#20,000	N	6	8	13	11	0	38
	%	15.8	21.1	34.2	28.9	0.0	100
#20,100-#30,000	N	4	7	12	7	1	31
	%	12.9	22.6	38.7	22.6	3.2	100
#30,100 & above	N	0	7	5	3	0	15
	%	0.0	46.7	33.3	20.0	0.0	100
Total	N	20	38	46	35	6	145
	%	13.8	26.2	31.7	24.1	4.1	100

Source: Author's Fieldwork, 2018

jThe monthly income of respondents and their willingness to be a worker of small scale industries is contained in table 15. Accordingly, 25.6%, 25.6% and 2.6% of respondents who are earning between #5,100 and #10,000 reported moderate, high and very high respectively for willing to be a worker in small scale business in the study area. This is followed by respondents who earn #10,100-#20,000 of which the highest proportion (28.9%) indicated high for involvement in working for small scale industries in the study area.

The table 16 shows monthly income and advertiser of small scale industry in the study area. According to the table, 30.8%, 17.9% and 10.3% of respondents who are earning between #5,100 and #10,000 indicated moderate, high and very high respectively for willingness to be advertiser of small scale business in the study area. This is not completely different from the respondents who earn #10,100 - #20,000 in which 34.2% and 28.9% of them indicated moderate and high responses for involvement as an advertiser for small scale industries in the study area. Therefore, majority of those who are willing to be advertiser of small scale industries earning between #10,100 and #20,000 and also #5,100-#10,000, according to most of the respondents' opinion in the study area. It can therefore be deduced that people who are earning less than #20,000 are the household who are willing to involve one way or the other in small scale business in the study area.

Table 17 shows that 28.3% of respondents identified location factor as responsible for patronage of small scale industry in the study area, while 31.7%, 31% and 9% of respondents mentioned quality of products, price of products and other reasons as being behind patronage of small scale industries in the study area. It is however, observed that majority of respondents are of the opinion that quality of products determine the level of patronage of the small scale industries in the study area.

It is observed from table 18 that 48.3% of respondents claimed that some of their household was given employment by the small scale industries, while 51.7% of respondents reported otherwise. Although sizeable amount of people were given employment by these small scale industries, but majority of respondents disclosed the facts that they were not employed by these small scale industries.

Table 19 shows that 42.1% and 7.6% of respondents disclosed that 1-5 peoples and 6-10 peoples were employed per household by the small scale industries in the study area, while 48.3% reported that nobody was employed in their household. It could be noted that 2.1% of respondents refused to respond. One can deduced from this study that some people were employed by these small scale industries.

Table 17: Factors Responsible for Patronage of small scale industry

Patronage	Frequency	Percentage (%)
Location factor	41	28.3
Quality of Products	46	31.7
Price of Products	45	31.0
Others	13	9.0
Total	145	100

Source: Author's Fieldwork, 2018

Table 18: Employment from household by these industries

Employment	Frequency	Percentage (%)
Yes	70	48.3
No	75	51.7
Total	145	100

Source: Author's Fieldwork, 2018

Table 19: Number of people employed

Employment	Frequency	Percentage (%)
1-5 people	61	42.1
6-10 people	11	7.6
None	70	48.3
No Response	3	2.1
Total	145	100

Source: Author's Fieldwork, 2018

Impact of small scale industries in Ogbomoso township

Linear regression analysis was computed to determine the impacts of small scale industry on the socio-economic characteristics of residents in the study area. The dependent variable is socio-economic characteristics, while the independent variable is number of small scale industry. To make the dependent variable suitable for regression analysis, they have to be summarized into one composite variable. This was done and variable of socio-economic characteristics was statistically obtained. It (dependent variable) was regressed on variable of number of small scale industry (independent variable). The results is contain in the following tables.

With F- value of 635.102 and P- value of 0.000 in table 20b, it is observed that the relationship between peoples' socio-economic characteristics and number of small scale industry is significant at $p<0.05$ confidence level. Moreover, with correlation coefficient (R) of 0.904 and coefficient of Multiple Determination (R^2) of 0.817, as shown in table 20a, one observes that 81.7% of effects of socio-economic characteristics may be attributed to a magnitude increase in number of small scale industry. In other words, close to 82% of the variability in observed number of small scale industry is explained by socio-economic characteristics in the study area. The remaining 18% as observed here may be due to other factors that enhance socio-economic characteristics, like government policy, political stability, good governance among others.

Table 20a: Regression Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.904[a]	.817	.816	4.414

a. Predictors: (Constant), number of small scaleindustries

Table 20b: Test of Statistical Significance of Regression Model

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12372.284	1	12372.284	635.102	.000[a]
	Residual	2766.271	142	19.481		
	Total	15138.556	143			

a. Predictors: (Constant), number of small scale industries

b. Dependent Variable: Socio-economic Characteristics

Table 20c: Regression Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.271	1.321		-1.720	.088
	number of small scale industries	14.077	.559	.904	25.201	.000

a. Dependent Variable: Socio-economic Characteristics

Source: Author's Fieldwork, 2018

To determine the weight of the components of number of small scale industry, reference is made to the regression coefficients as shown in table 20c. Using the standardized beta coefficients, the constant "a" would disappear and the regression equation is of the form:

$Y = a + bx$

Becomes:

Y (i.e. socio-economic characteristics) = 0.904x

This implies that for each change or increase of one unit in independent variable (x) (number of small scale industry), the mean value of dependent variable (y) (socio-economic characteristics) is estimated to change/increase by 0.904 units.

Conclusion and Recommendations

This study examines socio-economic impact of small scale industries in Ogbomoso Township. The importance of small scale industries in physical planning cannot be over-emphasized. It was found out that small scale industry were fairly in existence as noted by 2.6919 mean computation of respondents. It was also found out that majority of small scale industries (60.7%) were owned by the private individuals. Results also indicated that 48.3% of respondents claimed that the small scale industries generated employment for the people of the town. Problem of inadequate finance is one of the major challenges that residents described (orally) as factors militating against the development of small scale industries in the study area. Finding from regression analysis indicated that 82% of the variability in observed number of small scale industry is explained by socio-economic characteristics. This implies that existence of small scale industry has no doubt boost the socio-economic characteristics of residents. The following policy issues are recommended for improvement and effective development of small scale industry in the study area:

i. Small Scale business should be linked up with larger financing windows like the SMEEIS fund or Strategic Partners as suggested by Ojo (2003). The linkages should be such that the entrepreneurs would be serviced through their MFBs based on social capital. This will enable MFBs to introduce loan products and strategies targeted at financing technology acquisition by small scale industries.

ii. The Government should urgently tackle the problem of infrastructure development and maintenance. These include electricity, water and efficient transportation system which impact greater on small scale industry operations. The bureaucratic bottleneck involved in small business registration should also be removed.

iii. A National Science and Technology policy that is properly funded; and an educational policy with emphasis on technology and entrepreneurship education, should be formulated and implemented for small scale industry growth and expansion in the country.

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