PERCEPTIONS OF THE ROLE OF GOVERNMENT POLICIES IN PROMOTING THE GROWTH OF BUSINESS IN NIGERIA: A STUDY OF DELTA STATE GOVERNMENT THREE POINT AGENDA

Egberi A. Kelvin
Monye Michael C.

Department Of Business Administration And Management, Delta State Polytechnic, Ozoro

Abstract
The study designed to evaluate the perceptions of the role of government policies on the growth of businesses in Nigeria, with emphasis on the Delta State government three point agenda of peace, security, human capital development and infrastructural development. The study is premised on the subject of controversy as it has been known to account for the failures of many business and the successes of a few. The study adopted a survey design with 100 persons constituting the sample Population made up of 20 owners managers and 80 employees of businesses in Asaba. Only 92 in the long run were relevant and data was generated through questionnaire. The analysis of the responses showed the following findings; (i) Government policies have helped to promote peace and security for businesses to thrive it. (ii) The policies have mainly been able to achieve peace and security for businesses to thrive as a result of provision of micro-credit (iii)The major reason that has been responsible for the ineffectiveness of government policies is poor implementation, (iv) New government policies should be introduced to create a more significant effect on business growth, amongst others. The study therefore recommends that efforts at implementation of the three point agenda should be sustained, public enlightenment of the populace should be embarked upon and an appraisal of the successes and failures of the policy should be carried out amongst others.

Introduction
Businesses operate in a dynamic environment which implies change. The environment of business is ever charging (for better or worse). Environment literally means the conditions that affect the behavior and development of someone or something. A business environment therefore is a combination of the conditions event, forces and influences that surround and affect the business. Every business is subject to these forces as no business can dictate how they should look like. As such, the business organization must cooperate with them to succeed (Kator, 2008). A major factor that influences a business environment, and ultimately the growth of the business is government policy. Every government comes up with one policy or the other with which the state or country is governed. The 1999 constitution of Nigeria saddled the responsibility of policy-making on the legislative arm of government, while the executive is charged with the responsibility of implementing the drawn-up policies. This does not rule out the fact that the executive arm of government can be also draw up policies which are approved by the legislative for implementation. Government policies, according to the 1999 constitution, are drawn to
guarantee the peace, order and good governance of the state. In every government administration, the government of the day comes up with a policy statement otherwise referred to as a policy agenda. Kingdom (1998) defined a policy agenda as “the list of subject or problems to which government officials and people outside of government closely associate with those officials are paying serious attention at any given time.

As a country, the present administration in Nigeria has seven point policy agenda. Policy agenda like this are not only drawn-up to improve the socio-political status of the society, they are also targets at promoting business in Nigeria.

At the state level, every state in the country has developed a policy agenda which is acting as a guide for making administrate the decisions. The current administration in Delta State has a three point agenda which is:

i. Peace and security  
ii. Human capital development and  
iii. Infrastructural development.

This is the tipped fulcrum upon which the administration hopes to promote the growth of business in Delta State.

The motivation for this study is that government policies have been known to have impact on businesses in certain cases, while in others, they have woefully failed to achieve their set objectives. In most cases, however, they have been asserted to constitute the engine room for rapid development. Hence this study seeks to examine the perception of the role of government policies in promoting the growth of businesses in Delta State.

**Statement of problem**

In realization of the importance of the role of government policies in promoting the growth of businesses in Nigeria, the Delta State Government has over the years formulated various policies aimed at stimulating their growth. However, the various policies have so far proved ineffective as the level of growth of businesses in state still leaves much to be desired.

Quite a good number of businesses established many years back are growing at snail speed, and some have folded up while the rate at which new ones are being set-up is not encouraging even as investors, feel reluctant in doing business in parts of the state.

If this trend is allowed to continue in the long run, the unemployment and crime situation which have ready assumed alarming proportion in the state would be further aggravated, and this will not augur well for socio-political stability, as well as good governance that are essential for sustainable economic development.

This study will therefore analyze the perceptions of the role of government policies in promoting the growth of business in Nigeria using the three-point agenda of Delta or the Delta State government as a point of reference.

**Objectives of study**

The main objective of this study is to analyze the perception of the role of government policies in promoting the growth of business in Nigeria with a consideration of the three-point agenda of the Delta State government.

Specifically, the study sought to;

1. Determine the effects of government policy on peace and security for the growth of business in Delta state.  
2. Ascertain the effects of government policy on human capital development for the growth of businesses in Delta State.
3. Find out the effects of government policy on infrastructural development on the growth of businesses in Delta State.
4. Evaluate the strategies that should be adopted in making government policies more effective in promoting businesses.

Research questions
The following questions are raised in line with the purpose of the study to guide this research work. They are:
1. What are the effect of government policies on peace and security on the growth of businesses in Delta State?
2. What are the effects of government policies on human capital development for the growth of businesses in Delta State?
3. What are the effects of government policy on infrastructural development on the growth of businesses in Delta State?
4. What strategies should be adopted in making government policies more effective in promoting the growth of businesses in Delta State?

Hypotheses
The following null hypothesis was tested at 0.05% level of significance to further address the problem of the study. They are;

a) Hypothesis one
Ho₁: There is no significant difference between the growth of businesses in Delta state and government policy on peace and security.

b) Hypothesis two
Ho₂: There is no significant difference in the main ratings of business owners and employees on the effect of human capital development on the growth of businesses in Delta State.

Conceptual and theoretical framework
There is a generally wide perceptive on the role of government policies in promoting business but there are no specific parameters to measure these perceptions. Nevertheless, individual and institutional perception of the growth of businesses most times differs. The variants, obviously affect various goals being pursued by the relevant agency (Elkan, 1988). However, in viewing the perception of the role of government policies in promoting business, it is expedient first of all to view the concept of policy, its financial and the objectives of government policies. This is to help understand the directly from which the perceptions are viewed.

Policy and its functions
A policy is a guide for making administrative decision, (Kator, 2008). Much earlier, Griftin and Elbert (1999) has defined policy as an organizations manner of doing business and directing management actions. Essentially, a policy is an internal administrative law governing effective actions within the organization.

Since policy is a guide to action for the total organization, it follows that its formulation, implementation and decision implications will tend to affect the total organization. Internally and its external environment, this is because every organization is a system made up of various sub-systems made up of various unit or sections. Each sub-system must of necessity be in harmony with the others and with the total system to avoid friction and to prevent operational managers from working at cost purposes.

Amongst others, the major functions of policy include;
i. It classifies management viewpoint with and philosophies within designated areas of operation.

ii. It provides a pattern within which delegations of authority may be expedited and controlled.

iii. It establishes latitude and guide with which authorized persons may make administrative decisions and effect action.

iv. It anticipated future conditions and situations and resolves how they will be dealt with.

v. It fosters a feeling of confidence in making administrative decision.

From the foregoing, government policies are those points of views and established manner by which government carry out its business and direct managerial actions to the good governance and well being of the state. Policies that are formulated by government have a tremendous influence. Government policies attest issues like the rate of inflation the quality and the rate of infrastructural development, the level of peace and security, the rate of human capital development amongst others.

One major bone to the positive influence of government policies, according to Ogunbor (2003), is the mode of policy implemented, when policies are not appropriately implemented, no matter how good the formulation, they tend to have no positive effect on the society. This inordinate implementation, used to measure the growth of progress of a business enterprise is the rate of expansion of the organization. Expansion can be seen in terms of development and increase in personnel, capital case, assets, and establishment of other branches of outlets (Osuala, 1995).

Government policies have far-reaching effect, on the growth of business. This is because the policies formulated and implemented by government affect every aspect of the operating costs and effectiveness of the businesses. Some of these policies and how they affect businesses will be highlighted in the following subheadings:

**Government Policy on Taxing:**
Cost of product has a tremendous effect on the growth of business. Lower costs encourage growth while higher operating costs constitute impediment to growth and expansion. The operation of a business is not cost effective when the business is not making enough profit in relation to money spent. This tetrads business growth and may result in output collapse. (Manser and Schwartz, 1982). The National Bureau of Economic Research (2000) says plainly that when an organization’s marginal tax rates goes up; the rate of growth of its business enterprise goes down. Ur lower taxes increase a business cash flow which helps with liquidity constraints during economic slowdown and could increase the demand for investment and labour.

Usman (2000) claimed that the Nigerian government has evolved some fiscal policy measures and incentive designed to offer support for the growth and development of business.

**Government Policy on Infrastructural Development**
Creating an enabling operating environment according to Muomah (2003) is also a factor that would reduce operating costs and accelerate the growth of business. Enabling environment includes the provision of basic infrastructures such as uninterrupted power supply, goods roads and other basic amenities.
Adebowale (2004) stated that infrastructures is the bone of industry in Nigeria environment is harsh and has not significantly encouraged the emergence of new businesses as well as the survival and growth of existing ones.

Nwankwo (2003) observed that most businesses have to strive to provide most of the facilities for themselves. Facilities like water, electricity and roads are provided by these companies who had it difficult to grow and expand. Adequate and better managed infrastructure will eliminate the problem or constant disruption in production activities resulting in increasing output and lower cost. The improvement in telecommunication brought about lay the global system on mobile (GSM) revolutions, impacts positively on the operations of businesses and reduces communication cost (Bala, 2000).

**Government Policy on Inflation Matters.**

In the recent years inflation has been a particularly serious problem for businesses because it tends to compound all of the other operational problems. For example, inflation boost cost of the small retailers inventory, as well as all operation cost and pushing up capital requirements. Many businesses find it difficulties to cope with high level of inflation for extended periods. Ohuabunwa (1998) stated the evidence abound that the naira does not change in value with the passing of time but in its producing power which has been so drastically weakened by inflation that survival and growth of businesses is hard to achieve. Ajibade (2000) asserts that this has been unstable and inadequate government policies concerning industrial activities in Nigeria encourage inflation. These policies which are already in place should be aborted and reformatted.

**Government Policy on Safety and Security**

Security and economic investment are inseparable twins. It takes safe and well-secured environment to guarantee business growth. In a study carried out by the World Bank (1997) cam and theft were listed as serious problems that subsequently increased the cost of doing business in many developing countries including Nigeria.

Almost 80 percent of the entrepreneurs reported a lack of confidence that the authorities would protect their person and properly from criminals or crime. Over 70 percent said that judicial unpredictability and corruption were major problems in their business operations. Crime control and prevention cost business organizations a lot of money. Many thieves make a good living stealing from the business that employ them but burglary constitute the robbery account for only a small position of business loses. It is pertinent to note that crime prevention should constitute a major policy of government in order to create a conducive environment for business. For example, the provision of streetlight as part of government policy on security by the Delta State government has enormously helped to protect businesses at night from thieves had previously taken advantage of darkness of perpetuate crime.

**Government Policy on Human Capital Development**

For effective and economic planning and regulation, as well as the execution of operations of enterprise, efficient workforce is involved in judgment and decisions in determining plan and in using data to control performance and progress against plan; the personnel (labour) is involved in carrying out the operations of the enterprise (Breach, 1997).

However, for human capital to spawn an appreciate impact on development, a nation needs to have a minimum critical mass of at least seventy percent of more literate and healthy population. If the people are literate and healthy, at least with basic education, it opened up
the minds of the masses, the more enlightened workers and perhaps, institutes some element of discipline in them.

In Nigeria, human capital development is largely hinged on the policies formulated by the government. For sustainable development of human capital, the government has to focus on the health and the educational sector, (Ajibade, 2000). Health care facilities have to be established and functional to keep the work force in perpetual good health condition. The establishment and proper use of educational facilities and skill acquisition centers should also be ranked high in government programmes.

Where policies do not encourage the establishment and functionality of these facilities, human capital development cannot be adequately guaranteed and this can have a far reaching effect on the growth of businesses.

**Review of empirical literature**

Quite a few persons have conducted related studies on government policies, and most of the research studies have revealed some effect on the growth of businesses. For the purpose of this work, three people’s work was look into.

Benitie (2006) carried out a study on the effort of government in promoting small scale enterprise in Delta state. The main purpose of the study was to investigate the role played by government to ensure the growth of small scale enterprise in Delta State. His samples were made up of workers and owners of small scale businesses in Delta State, 200 in all.

The findings revealed that the small scale enterprises were supported financially with soft loan made available by government. The businesses of the small enterprises got significant boost due to the availability of basic infrastructure.

This present study is related to Benitie’s study in that it analysis the government policies in promoting business of which fiscal policy and infrastructure development are variable. However, the present study differs from Benitie’s study because it covers wider scope.

In a similar study, Okocha (2003) conducted a study on effect of government tax policy on businesses in Nigeria.

The aim of the study is to determine how the tax policies of government affect the growth of businesses in Nigeria. Samples were taken from businesses owners and their employees in Delta State.

The study found out that when the marginal tax rate goes up, the rate of growth of businesses goes down. The present study is related to Okocha’s study because it analysis the growth of business in line with government policy on tax which is a subject of consideration of this study.

**Methodology**

This paper will make used of both primary and secondary sources of data. The survey method with questionnaire as the instrument will also use to determined responses from z respondents. The questionnaire will be structured to obtain responses from respondents on the role of government policies in promoting the growth of business in Nigeria.

Secondary data will be used to obtain comprehensive review of literature related to the subject. Chi-square will be used to test two hypothesis in the study.

**Data presentation and analysis**

Testing of Hypothesis 1

**H01:** There is no significant difference between the growth of businesses in Delta state and government policy on peace and security.
Table 1

<table>
<thead>
<tr>
<th>QUESTION</th>
<th>RESPONSE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Do you believe that government policies have helped to promote peace and security?</td>
<td>68</td>
<td>92</td>
</tr>
<tr>
<td></td>
<td>73.9%</td>
<td>100</td>
</tr>
<tr>
<td>2. Should the government adopt certain strategies in order to make its policies more effective in promoting the growth of businesses?</td>
<td>81</td>
<td>92</td>
</tr>
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<td></td>
<td>88.04%</td>
<td>100</td>
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Source: field work 2015

Table 2

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<tbody>
<tr>
<td>68</td>
<td>46</td>
<td>22</td>
<td>484</td>
<td>10.52</td>
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<tr>
<td>24</td>
<td>46</td>
<td>-22</td>
<td>484</td>
<td>10.52</td>
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<tr>
<td>81</td>
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<td>1225</td>
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<td>11</td>
<td>46</td>
<td>-35</td>
<td>1225</td>
<td>26.63</td>
</tr>
</tbody>
</table>

X^2 = 74.3

Source: field work 2015

Since the calculated value is more than the table value, we therefore reject the null hypothesis and conclude by accepting the alternative hypothesis which states that the growth of businesses in Delta state depends on certain government policies on peace and security.

Testing of hypothesis 2

There is no significant difference in the main ratings of business owners and employees on the effect of human capital development on the growth of businesses in Delta State.

Table 2

<table>
<thead>
<tr>
<th>QUESTION</th>
<th>RESPONSE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Has government policies provided for the development of the skills of the individuals?</td>
<td>68</td>
<td>92</td>
</tr>
<tr>
<td></td>
<td>73.9%</td>
<td>100</td>
</tr>
</tbody>
</table>
2. Do you think the provision of skill Acquisition center is an important way of human capital developing?

<table>
<thead>
<tr>
<th></th>
<th>79</th>
<th>13</th>
<th>92</th>
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<tbody>
<tr>
<td>85.86%</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>14.13%</td>
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<td></td>
<td></td>
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<tr>
<td>100</td>
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Source: field work 2015

Table 3

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<td>68</td>
<td>46</td>
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<td>79</td>
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<td>33</td>
<td>1089</td>
<td>23.67</td>
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<td>13</td>
<td>46</td>
<td>-33</td>
<td>1089</td>
<td>23.67</td>
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</tbody>
</table>

Source: field survey 2015

Since the calculated value is more than value, we therefore reject the null hypothesis and conclude by accepting the alternative significant difference in the main ratings of business owners and employees on the effect of human capital development on the growth of businesses in Delta State.

Findings

The following are the findings of the study:
1. It was discovered that government policies have helped to promote peace and security for business to thrive.
2. The study revealed that government policies has provided for the development of the skills of individuals which also enhanced business growth mainly through seminars and workshops, skill acquisition centers and sponsorship to specialized centers.
3. The study also revealed that government polices has tailored impact on business by mainly involving all stakeholders in its implementation.

Conclusion

Based on the findings of the study, it can be concluded that government policy of the three point agenda is perceived to have had a reasonable impact on businesses in Delta State. It has helped to enhance peaceful environment where security of lives and property has been assured to encourage investors to invest in the state massive road rehabilitation and provision of streetlights have also contributed to providing before infrastructures.

Recommendations

Based on the findings of the study, the following recommendations are made as follows:

i. The government of Delta State should sustain its effects at implementation of the three point agenda to enhance development of the state which would in no small way promote further business growth and development.

ii. Proper public enlightenments should be carried out to sensitize the populace on government efforts in order to obtain the needed co-operation and support for the implementation of the policy to enhance overall development in the state.

iii. The successes of the policy should be appraised by a governmental organization or private consultant from time to time with a view to ascertaining its successes and
failure as well as appropriately providing the needed advice in areas of shortfalls to enhance the overall success of the policy.

References


Kator, P. R. (2008) Business Management in Lecture notes


