

Impact of Government Policy on Entrepreneurship Growth and Development of Small-Scale Business in Jos South and Jos North Local Government Area of Plateau State

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ABSTRACT

The development of entrepreneurship and small-scale businesses has led to economic growth in most countries and it is safe to say that entrepreneurship is an important driving force of business growth. Government policies can either make or break the growth of entrepreneurship and small-scale businesses. This study examines the Impact of Government Policy on Entrepreneurship Growth and Development of Small-Scale Businesses in Jos-South and Jos-North local government area of Plateau state. The population of 400 small businesses was sampled 200 in Jos-South and 200 in Jos-North. The descriptive survey research was adopted. The primary data methodology was used through the aid of a well-structured questionnaire and interviews. The Pearson's product-moment correlation coefficient was used to analyze the sourced data from the field to answer the research questions raised for the study. The independent variable in this study is government policy measured by entrepreneurship policy interventions, fiscal and monetary policies while the dependent variable is entrepreneurship and small scale business growth and development. Findings from this study shows that entrepreneurship policy interventions have not significantly contributed to business growth due to weak implementation, limited access, and inadequate infrastructure. Monetary policy shows a partial effect, mainly through credit provision, but lacks strong influence on broader economic conditions. In contrast, fiscal policy demonstrates a relatively strong positive effect, particularly in promoting output growth and economic stability. This study recommends that Strengthen Policy Implementation Frameworks, Increase Access to Affordable Financing and Enhance Infrastructure Development.

Keywords: Government Policy, Entrepreneurship, Small Scale Business, Monetary Policy, Fiscal Policy, Growth and Development.

INTRODUCTION

In today's modern world, Entrepreneurship and Small and Medium scale Enterprises (SMEs) is one of the most authentic drivers of sustainable development, especially in the emerging economies. Historical evidence of SMEs as tool of economic development can be observed in the 19th century Europe, when the continent's economy is absolutely under the control of cottage industries, most which were actually SMEs (Alabi *et al.*, 2019). It is no secret that entrepreneurs and small business owners have received greater recognition as drivers of economic growth. Entrepreneurship leads to the creation of new businesses and drives economic prosperity. Entrepreneurship is thus a driving force within the economy, particularly because of the entrepreneurs' innovative nature.

The importance of entrepreneurship development in several economies globally cannot be overemphasized; as such majority of countries worldwide have established programmes to support entrepreneurship within their local economies. The success of an enterprise also depends on the support provided by its state. Its regulations can create an attractive and more ambient climate for business enterprises on the one hand, while on the other hand, the state can be a major limiting factor for the establishment and development of enterprises (Kashmiri & Akhter, 2017). In the entrepreneurial economy, the state is not an entrepreneur; it is rather supposed to protect,

with all its legal force, every business venture. The State, its institutions and its officials do not act as executive authorities but are seen as a necessary administrative service for a successful business. Their responsibilities are to provide a stimulating business environment and development support to SMEs, by stimulating legislation, improving institutional capacities, rendering adequate measures of economic policy, and establishing the necessary infrastructure. Developed Countries have long-standing experience and good strategies to support entrepreneurship, while underdeveloped and developing countries make beginner's steps in the development of strategies which are of great importance for the development of this sector (Kashmiri & Akhter, 2017). Therefore, the development of enterprises depends largely on the institutional, physical and financial infrastructure that a country has. The higher the level of infrastructural development, the easier factor it represents in the development of entrepreneurship in the country and vice versa.

In the case of government support policies, it is assumed that since the government is in the lead for entrepreneurial development, it should provide the much-needed resources within its capability. Such resources include the provision of an environment conducive to business that will highly promote entrepreneurship. Government policy in this context is any course of action which aims at regulating and improving the conditions of SMEs in terms of supportive implementation and funding policies by the government. Based on this definition, government policy as it relates to entrepreneurial practice is targeted at encouraging entrepreneurship by making a favourable environment for entrepreneurs. This is done through the enactment of guidelines that will regulate entrepreneurial activity generally for the reason that entrepreneurship is the bedrock of a nation's path to industrialization. Furthermore, the government needs to enact policies that would be user-friendly to entrepreneurs.

In Nigeria, structures and programmes such as the Small and Medium Enterprises Development Agency (SMEDAN), N-Power programme, Government Enterprise and Empowerment Programme (GEEP) and the You-win programme were designed to promote entrepreneurial activities by facilitating access to funds and other resources needed for SMEs (Today. ng, 2022). Successive Nigerian Governments across all tiers have shown interest in financing SMEs by establishing specialized Banks, Credit Agencies and schemes to provide tailored funding for SMEs. Despite the renewed attention and contributions given to SMEs by the Nigerian government, SMEs experience numerous problems labeled the Nigerian factor (Akerejola *et al.*, 2019) and surprisingly, financing (single-digit loans) is the apex of the mall (Victor *et al.*, 2019). Others include infrastructural deficiency and the absence of a workable policy framework to drive SME establishment and growth (Victor *et al.*, 2019). All these policies and much more are targeted towards promoting entrepreneurship.

Existing studies have largely focused on national-level analysis or major commercial centres, often overlooking sub-national dynamics in less-studied regions. While there is extensive literature on fiscal and monetary policy effects, there is limited empirical evidence at the local government level, particularly in areas such as Jos South and Jos North in Plateau State. This creates a contextual gap, as policy outcomes may differ significantly across regions due to variations in institutional capacity, infrastructure, and socio-economic conditions. Furthermore, many previous studies tend to examine government policy as a single aggregate construct, without disaggregating it into key components such as entrepreneurship-specific policies, monetary policy, and fiscal policy. This limits a nuanced understanding of how each policy instrument independently and collectively influences entrepreneurship growth and small-scale business development. This study, therefore, seeks to examine some general government policies and identify the policies that best promote entrepreneurial activities in this region.

Statement of the Problem

Small and Medium Enterprises (SMEs) are crucial for the sustainable and equitable development and growth of the economy. About 90% of businesses that operate in the World today fall under the category of SMEs. But the failure of Nigerian' industrial development process over the last few years has made it largely impossible to obtain a strong and efficient SME sub-sector. Thus, even though an overwhelming percentage of the country's businesses are SMEs, the sub-sector is known to make just a small contribution to the country's overall GDP. The initial progress made by Nigeria's pioneer industrialists was almost wiped out, following the gross devaluation that was executed under the Structural Adjustment Programme (SAP). But the truth remains that

Nigeria has huge potential for SMEs. But the failure of the country to maximize its huge potential means that its problem as a country remains on the increase. The exponential rise of the country's population as well as its already high and rising unemployment and poverty levels are in clear contrast to its level of infrastructural, technological and communication development. The impact of government policies on the growth and development of SMEs in Nigeria has been a critical issue affecting the entrepreneurial landscape. Despite efforts to promote entrepreneurship, varying government policies and regulations have posed challenges hindering sustainable growth and development of SMEs in Nigeria. Thus there is a pressing need to explore and evaluate how government policies directly impact the entrepreneurship ecosystem and the expansion of small and medium scale business in Jos-south and Jos-North area of plateau state and Nigeria as a whole.

Objectives of the Study

- i. Determine the impact of entrepreneurship policy interventions on entrepreneurship growth and small- scale business development.
- ii. Ascertain the influence of monetary policy on entrepreneurship growth and small-scale business development.
- iii. Examine the effect of fiscal policies on entrepreneurship growth and small-scale business development

Research Questions

- i. What is the impact of entrepreneurship policy interventions on entrepreneurship growth and small-scale business development?
- ii. To what extent does monetary policy influence entrepreneurship growth and small-scale business development
- iii. How does fiscal policy have effect on entrepreneurship growth and small-scale business development?

Research Hypotheses

1. **H₀₁** There is no significant relationship between policy interventions on entrepreneurship growth and small-scale business development.
2. **H₀₂**: There is no significant relationship between monetary policy on entrepreneurship growth and small scale business development.
3. **H₀₃**: There is no significant relationship between fiscal policy on entrepreneurship growth and small scale business development.

LITERATURE REVIEW AND PROPOSITION

Conceptual Review

The conceptual framework was constructed to illustrate the conceptual relationships between the independent variables and the dependent variable.

Entrepreneurship Policy Interventions

Entrepreneurship policy interventions involve designing and implementing strategies and initiatives to support and promote entrepreneurship. These interventions can include various aspects such as financial support through grants or loans, regulatory reforms to create a more business-friendly environment, access to markets and networks, capacity building through training and mentorship programs, and fostering innovation and technology adoption. Entrepreneurship policy interventions aim to create an ecosystem that enables aspiring entrepreneurs to start and grow their businesses successfully. By providing the necessary resources, infrastructure, and support,

policymakers can help facilitate the development of a dynamic and thriving entrepreneurial ecosystem that drives economic growth, job creation, and innovation.

Policies within areas such as opportunity, capital, ability, incentives and motivation across different target groups may be implemented at different levels to foster entrepreneurial activity (Nielsen, 2016). In entrepreneurship policy, the importance of fitting policies and programme to the context in which they are implemented is critical (Nielsen, 2016). Schulz, Urbig and Procher (2016) caution that to design an efficient and well-targeted entrepreneurship policy and programme, policymakers should consider the relevant heterogeneity in response to public measures. Wright, *et al.*, (2015) added that an important strand of the government policy on small and medium-sized enterprises seems adept at recovering from recession in their potential to play a significant role in driving the future. They argue that entrepreneurship policy intervention could target innovation, exporting finance, leadership and management development in supporting MSME's growth. Some of the bottlenecks to finance access can be addressed by supply-side policies aimed at promoting the provision of credit and equity finance, access to information and advice about alternative sources of finance (Wright *et al.*, 2015).

On the contrary, Nielsen (2016) argues that business development agencies, private advisory services and others are each responsible for their part of entrepreneurship support or promotion but also working together for the common purpose of implementing the entrepreneurship policy. Acs, *et al.*, (2016) stated that entrepreneurship-friendly policies are those which in some ways make it easier or cheaper for a person to start a new business, may or may not be conditional in that they have developed a new business idea or invented something. Such policies range from subsidized lending or other business cost subsidies, reduced taxes on equity investments, reduced hiring costs, provision of information or other market-making mechanisms, and location-specific or industry-specific subsidies to start a business in a given location or industry (Acs *et al.*, 2016).

Monetary Policy

Monetary policy deals with the discretionary control of the money supply by monetary authority (CBN) and fiscal authority in an attempt to attain the desired economic goals (Nuhu, 2015). Monetary policy is adopted by the Apex Bank of any given economy to stimulate collective demand through adjustable changes in money supply and interest rate. In times of economic crisis, government combines both fiscal and monetary policies to curb fluctuations in the business cycle. Monetary policy is regarded as an effective "economic stabilizer" that is frequently applied to determine, regulate, and control the quantity of money, cost availability, and influence the direction of money and lending within an economy purposely to achieve some specified macro-economic policy focus which includes increased employment, the balance of payment equilibrium and sustainable economic growth and development (Adegboyo, Keji, & Fasina, 2021).

There are two kinds of monetary policy, which are expansionary and contractionary. An expansionary monetary policy is used whenever the monetary authorities decide to increase the supply of money or reduce the cost of money in the economy to stimulate an increase in economic activities and also to overcome depression, recession and deflationary gap (Nuhu, 2015). This can be attained with the act of buying securities in the open market, interest and discount rates reduction, reduction in reserve requirements, and relaxing of credit controls, among others. The overall impact of expansionary monetary policy is to ensure more money is in the hands of the general public. This will lead to an increase in aggregate demand, investment, savings, employment, output and economic growth, while at the same time increasing the rate of inflation. A contractionary monetary policy is the opposite of an expansionary policy. Uju and Ugochukwu (2021) posited that a monetary policy is said to be contractionary or tight when the monetary authorities embark on policies that will reduce the volume of money supply or increase the cost of money in the economy, to generate a contraction in economic activities. The impact of contractionary policies is to reduce the general price level and curb inflation which will equally lead to a reduction in the level of investment, employment, output and economic growth (Adegbola, Fadipe & Olajide-Arise, 2015). The regulatory authorities may switch from contractionary to expansionary policies as the need arises depending on the economic objectives, to which she is giving priority. The monetary policy adopted in Nigeria has been changing from one regime to another.

Fiscal Policy

Fiscal policies are government measures designed to influence the quantum and allocation of revenue and expenditure with the aim to achieving internal and external economic balance, as well as sustainable development. Taxes and government expenditure are the primary tools of fiscal policy, though in some jurisdictions grants and aid constitutes significant complementary tools. One of the economic concerns regarding fiscal policy in Nigeria is the high and rising debt burden. With a significant portion of government revenue going towards servicing existing debt, there are fewer resources available for crucial investments in infrastructure, social programs, and economic development initiatives. This can stifle economic growth and exacerbate poverty.

Weil (2019) sees fiscal policy as an important tool for managing the economy because of its ability to affect the total amount of output produced that is, gross domestic product (GDP). The first impact of a fiscal expansion is to raise the demand for goods and services. This greater demand leads to increases in both output and prices. The degree to which higher demand increases output and prices depends, in turn, on the state of the business cycle. If the economy is in recession, with unused productive capacity and unemployed workers, then increases in demand will lead mostly to more output without changing the price level. If the economy is at full employment, by contrast, a fiscal expansion will have more effect on prices and less impact on total output.

Review of Empirical Studies

An empirical study conducted by Adegbite, Olawumi, and Ojo (2020) examined the impact of government policies on entrepreneurship and small-scale businesses in Nigeria. The study found that government policies play a crucial role in shaping the entrepreneurial landscape in Nigeria. Specifically, policies related to access to finance, infrastructure development, regulatory environment, and support programs for entrepreneurs were shown to have a significant impact on the growth and success of small businesses in the country.

Furthermore, a study by Olufemi and Olowookere (2019) highlighted the challenges faced by small-scale entrepreneurs in Nigeria due to inconsistent government policies and lack of effective implementation. The researchers called for more coherence and coordination in government policies to better support entrepreneurship and small businesses in the country.

Another study by Ogujiuba and Onugu (2018) highlighted the importance of government policies in promoting entrepreneurship in Nigeria. The researchers emphasized the need for proactive government interventions to create an enabling environment for small businesses to thrive. Policies that promote ease of doing business, reduce bureaucratic hurdles, and provide targeted support to budding entrepreneurs were identified as key factors in driving entrepreneurship in Nigeria.

Akinyemi and Adejumo (2018) examined Government policies and entrepreneurship phases in emerging economies: Nigeria and South Africa. This paper introduces entrepreneurship phases in studying the impact of some government policies on entrepreneurial activities.

Kashmiri and Akhter (2017) examined the role of government policy in entrepreneurship development in Kashmir India. A qualitative method using Focused Group Discussions (FGDs) was conducted among 50 young aspiring entrepreneurs receiving Entrepreneurship Training at Jammu & Kashmir Entrepreneurship Development Institute (JKEDI), the State's Premier Entrepreneurship Development Institute, in the age group of 17-25 years. The information was obtained into a specific theme which included —Role of Government in Entrepreneurship Development. The researcher approached JKEDI to seek permission for conducting the discussion. Five (5) rounds of discussion were conducted with the aspiring entrepreneurs within the premises of JKEDI. Findings showed that the economic development of a country is supported by entrepreneurship in several ways. It is a key contributor to innovativeness and product improvement and a pivotal ingredient to employment creation. Another important aspect to be considered is that in the context of the Indian market, entrepreneurship-led economic growth is more inclusive and hence Governments, both at Centre and State levels, have been taking initiatives to boost the entrepreneurial ecosystem as they realize the benefits entrepreneurship brings to the economic growth of the Country.

Entrepreneurship and small business development are the heart of many countries' economies, and countries that give entrepreneurship special attention stand better chances of improved economy and industrialization.

THEORETICAL FRAMEWORK

Opportunity-Based Entrepreneurship Theory

The study is anchored on the Peter Drucker and Howard Stevenson propounded opportunity-based entrepreneurship theory. The theory supports a wide range of entrepreneurship research with a conceptual framework. The theory states that entrepreneurs do not cause change, but exploit opportunities created as a result of a change in consumer preference, technology, etc. Drucker (1985) further defined entrepreneur and entrepreneurship as a person who looks for change, responds to the change and seeks to exploit the opportunities. The major unique point from the opportunity construct of Drucker is that entrepreneurs have more eyes for opportunities they see more than the problems. Stevenson (1990) further extended the opportunity-based theory of Drucker by including resourcefulness in the theory. Stevens concluded that entrepreneurs seek to exploit every available opportunity without paying much attention to resources currently being controlled by the entrepreneur. The work of Fowosire *et al.*, (2017) also shows the significance of the opportunity-based entrepreneurship theory stating how entrepreneurs strive to identify opportunities and ensure the opportunities are explored and turned into a business venture capable of generating returns for the entrepreneur. The theory is significant to the study because it postulates that in entrepreneur and entrepreneurship, the entrepreneur always searches for change, responds to it and exploits it as an opportunity. Peter Drucker and Howard Stevenson focused on a wide-ranging conceptual framework of entrepreneurship and hence contradicted Schumpeter's theory which stated entrepreneurship as change.

Microeconomic Theory

Microeconomic theory, on the other hand, focuses in detail on resource allocation and utilization among individual components of the economy. It describes how resources are efficiently allocated, and utilized to make a profit and avoid wastage. For instance, the decisions of entrepreneurs about what to produce, how to produce, where to produce, and what prices to charge, are contained in microeconomic theory, which can be linked to the resource and management factors needed for business growth and development. These two theories, combined, describe the fundamental activities carried out by individuals who efficiently allocate and utilize available resources and take risks to create value and develop society.

However, despite their unique traits, entrepreneurs need enabling environment to thrive well. For instance, Adams Smith's (1776) work on "The Wealth of Nations" pointed out that liberal commercial policies promote nations' wealth. Countries that changed their policies from socialism to capitalism recorded an increase in entrepreneurial activities (Acs & Szerb, 2007). Adams pointed out that even though the self-interest of entrepreneurs motivates them to set up businesses, some reform policies are needed to promote entrepreneurial activities in the land. And advocated for policy reforms such as the abolition of local taxes and duties; free choice of occupation, free trading activities across borders; and repealing of laws that restrict the free transfer of land. By extension, therefore, the capitalist theory enhances economic as well as entrepreneurial activities. Microeconomics has both theoretical and practical importance. It helps in formulating economic policies which enhance production efficiency and result in greater social welfare. Microeconomics explains the working of a capitalist economy where individual units are free to take their own decision.

METHODOLOGY

Study Design, Population, Sample, and Sampling Procedure

The study adopted the descriptive survey research design. The study populations include all the small scale businesses in Jos-South and Jos-North Local Government area of Plateau State. A sample size of 400 was used comprising of 200 small scale businesses in Jos-South and 200 small scale businesses in Jos-North. The study used primary data because most of the existing research relies on secondary macroeconomic data, which does

not adequately capture the perceptions and lived experiences of entrepreneurs, particularly at the grassroots level. As a result, there is insufficient insight into how policy interventions are accessed, interpreted, and utilized by small-scale business operators. The study used a random sampling technique. The rationale for the adoption of this sampling technique is because it gives an unbiased representative sample and is adjudged on the fact that it gives equal opportunity for the sampling units to be selected. A structured questionnaire was used as instruments for data collection. The questionnaire contains two sections A and B. Section A contains the personal data of the respondents while Section B items contains questions for the small-scale business owners with 4 Likert scale, which is Strongly Agree (SA), Agree (A), Disagree (D) and Strongly Disagree (SD). The items on the questionnaire were trial tested to ascertain the reliability of the questionnaire. The study used content analysis to analyze the data collected through interviews while Pearson's product-moment correlation coefficient or simply the sample correlation coefficient was used to analyse data collected through questionnaires to answer the research questions raised for the study. The measure of the strength of the linear relationship between two variables X and Y is estimated by the simple correlation coefficient denoted by r. This r is referred to as Pearson's product-moment correlation coefficient or simply the sample correlation coefficient and is given by the formula

$$r = \frac{\sum (X - \bar{X})(Y - \bar{Y})}{\sqrt{\sum (X - \bar{X})^2 \sum (Y - \bar{Y})^2}}$$

Where r = Pearson's product-moment correlation coefficient

X = Weight attached to a response

Y = Frequency of response

Σ = Summation sign

\bar{X} = Mean of weights attached to a response X

\bar{Y} = Mean of frequency of response Y

Or the alternative formula for r.

$$r = \frac{\sum xy}{\sqrt{\sum x^2 \sum y^2}}$$

Where $x = X - \bar{X}$ and $y = Y - \bar{Y}$

Results (Expected Outcome)

It is expected that at the end of this project, there will be a significant relationship between government policies and entrepreneurship growth and small-scale enterprises development. The outcome of this study would be of great benefit to entrepreneurs and small-scale business owners, policy makers and the government. To entrepreneurs and small-scale business owners, this study will help take on favourable policies that will not deter their businesses and make know how to access finance to boost their businesses which will in turn make them to contribute meaningfully to the growth of the economy.

To the policy makers the study will be of great benefit as it will help them to make the right policies that would encourage the outburst of entrepreneurship and boost small scale businesses in Nigeria.

To the government this study will serve as a guide to intervention strategies, it will guide the government to know how to intervene in financing small businesses to help them grow and contribute to the growth of the economy

RESULTS AND FINDINGS

Research question 1: What is the impact of entrepreneurship policy interventions on entrepreneurship growth and small-scale business development?

Table: Frequency and mean response on Policy Interventions on Entrepreneurship growth and Small-scale Businesses

s/n	Item statement	SA (4)	A (3)	D (2)	SD (1)	Mean	Decision point
1	The regulatory policy creates a more business-friendly environment	66	85	149	100	2.29	Rejected
2	The financial support through grants and loans are readily accessible for entrepreneur	28	68	192	112	2.03	Rejected
3	The policy on capacity building and mentorship programme fosters innovation and business growth	58	90	143	109	2.24	Rejected
4	The policy enables aspiring entrepreneur to start and grow their business successfully	80	89	135	96	2.38	Rejected
5	The necessary infrastructures specified by the policy provide resources and support for business owners	51	47	178	124	1.95	Rejected
6	The policy on entrepreneurship drives economic growth and innovation	58	78	116	148	2.12	Rejected
7	There is opportunity for capital and incentives that motivates across small scale businesses	98	140	70	89	2.60	Accepted
	Overall mean					2.23	

The table presents the frequency and the mean response on the impact of entrepreneurship policy interventions on entrepreneurship growth and small-scale business development. Seven question items were presented to the respondents in the study, six were rejected based on the 2.50 decision point set in the study. the rejected items include the policy creates more business-friendly environment, financial support like loans and grant are accessible, there is capacity building and mentorship among others. However, one item was accepted which is opportunity for capital and incentives. The overall mean was 2.23, this indicates that the entrepreneurship policy intervention had low impact on entrepreneurship growth and small-scale businesses. This also implies that the policies have not been effective to enhance growth and development of small-scale and entrepreneurs business.

Research question 2: To what extent does monetary policy influence entrepreneurship growth and small-scale business development?

Table: Frequency and mean response on Monetary Policy on Entrepreneurship growth and Small-scale Businesses

s/n	Item statement	SA	A	D	SD	Mean	Decision point
1	The monetary policy of the government promotes your businesses	90	110	110	90	2.50	Accepted
2	There is sufficient accessibility to loan and grants through monetary policy for small-scale growth	112	154	60	74	2.76	Accepted
3	The policymakers are driving economic growth through expansionary monetary policies	36	46	178	140	1.95	Rejected
4	The policy creates dynamic system business growth by increasing peoples' purchasing power generally	56	78	135	131	2.15	Rejected

5	The policy promotes incentive and motivation across business groups for entrepreneurial activities	67	87	124	122	2.25	Rejected
6	The policy increases economic activities such as demand for goods and services for optimum outputs	78	99	100	123	2.33	Rejected
7	The lending provision is achieving the set purposes of sustaining economic growth and development	145	169	45	41	3.05	Accepted
Overall mean						2.43	

The table presents the frequency and the mean response on the extent at which monetary policy influences entrepreneurship growth and small-scale business development. Seven question items were presented to the respondents in the study, three were accepted based on the 2.50 decision point set in the study. The accepted items include the monetary policies promote business, there is accessibility to loans and grant through the policy, the lending provision is achieving the set purposes for economic growth. However, four of the items were rejected this includes policymakers are driving economic growth, through expansionary monetary policies, promote incentive and motivation, increase economic activities. The overall mean was 2.43, this indicates that monetary policies influences entrepreneurship growth and small-scale business to an extent but still below the acceptable level based on the response of the respondents in the study. The implication is that the monetary policy is not effectively driving the economic growth to influence entrepreneurship growth and small-scale businesses.

Research question 3: How does fiscal policy have effect on entrepreneurship growth and small-scale business development?

Table: Frequency and mean response on fiscal Policy on Entrepreneurship growth and Small-scale Businesses

s/n	Item statement	SA	A	D	SD	Mean	Decision point
1	The fiscal policy ensures equal allocation of revenue and expenditure for economic balance	146	151	40	60	2.93	Accepted
2	The fiscal policy promotes sustainable development for entrepreneurship growth and small-scale business	123	144	68	65	2.81	Accepted
3	The fiscal policy is increasing the total amount produced through the gross domestic product	145	167	43	45	3.03	Accepted
4	The fiscal policy of the government has significantly raised the demand for goods and services	78	87	128	107	2.34	Rejected
5	The demand has increased both output and prices of goods and services	66	85	130	119	2.25	Rejected
6	The high rising debt burden affects the development of entrepreneurship and small-scale business	120	150	60	70	2.80	Accepted
Overall mean						2.69	

The table presents the frequency and the mean response on how fiscal policy has affect entrepreneurship growth and small-scale business development. Six question items were presented to the respondents in the study, four were accepted based on the 2.50 decision point set in the study. The accepted items include fiscal policy equal allocation of revenue, promote sustainable development, increases GDP and high debt burden affects development of entrepreneurship. However, two of the items were rejected this includes fiscal policy significantly raised the demand for goods and services and increase both output and prices of goods and services. The overall mean was 2.69 this implies that the fiscal policy has effects on entrepreneurship growth and small-scale businesses. The implication of this is that the implementation of fiscal policy drives the economic growth and development to an extent which further increased the development of entrepreneurship growth and small-scale businesses.

Testing of Hypotheses

Hypothesis 1: There is no significant relationship between policy interventions and monetary policy on entrepreneurship growth and small-scale business development.

Table: Significant Relationship between Monetary policy and Monetary Interventions

	Mean	Std. Dev.	Pearson Correlation	Sig. (2-tailed)
policy interventions	2.23	0.22	0.37	0.421
monetary policy	2.43	0.376		

The table presents the correlation coefficient between policy interventions and monetary policy on entrepreneurship growth and small-scale businesses. The hypothesis was rejected since the p-value of 0.421 was greater than the 0.05 significance level. Also, the coefficient of the relationship was 0.37 which is considerably low but positive relationship. This implies that the policy interventions and monetary policy on entrepreneurship growth and small-scale businesses is not significant. The implication is that the policy is not adequately impacting on entrepreneurship growth and small-scale businesses.

Hypothesis 2: There is no significant relationship between fiscal policy and policy interventions on entrepreneurship growth and small-scale business development.

Table: Significant Relationship between Fiscal policy and Monetary Interventions

	Mean	Std. Dev	Pearson Correlation	Sig. (2-tailed)
policy interventions	2.23	0.221	0.20	0.698
fiscal policy	2.69	0.321		

The table presents the correlation coefficient between policy interventions and fiscal policy on entrepreneurship growth and small-scale businesses. The hypothesis was rejected since the p-value of 0.698 was greater than the 0.05 significance level. Also, the coefficient of the relationship was 0.20 which is considerably low but indicating positive relationship. This implies that the policy interventions and fiscal policy on entrepreneurship growth and small-scale businesses is not significant. The implication is that the policy is not adequately impacting on entrepreneurship growth and small-scale businesses as expected.

DISCUSSION OF FINDINGS

This study examined the effects of entrepreneurship policy, monetary policy, and fiscal policy on entrepreneurship growth and small-scale business development. The discussion is organized in line with the three research questions. For Entrepreneurship Policy Interventions and Business Growth. The findings revealed that entrepreneurship policy interventions have limited effectiveness in promoting entrepreneurship growth and small-scale business development, as indicated by an overall mean score of 2.23. Most of the policy components, including regulatory environment, access to finance, infrastructure provision, and capacity-building programmes, were rated below the acceptance threshold. This suggests that although policy frameworks may exist, their implementation appears weak and does not translate into tangible benefits for entrepreneurs. The only aspect that showed a positive outcome was the availability of capital incentives, which indicates that financial support exists but may be unevenly distributed or insufficient in scale. These findings align with existing literature which emphasizes that policy effectiveness depends not only on formulation but also on implementation, institutional quality, and accessibility (Acs et al., 2018; Minniti, 2008). Poor infrastructure and limited access to finance remain structural barriers to small business development in many developing economies.

For Monetary Policy and Entrepreneurship Development, the results for monetary policy showed a moderate but insufficient influence, with an overall mean score of 2.43. While respondents acknowledged access to loans and the effectiveness of lending provisions, broader macroeconomic impacts such as increased purchasing power, demand stimulation, and economic expansion were rated low. This indicates that monetary policy is more

effective through financial channels (such as credit availability) than through real sector stimulation. The limited impact on demand and purchasing power suggests that the transmission mechanisms of monetary policy may be weak or constrained. This finding is consistent with Keynesian monetary theory, which argues that the effectiveness of monetary policy depends on interest rate transmission and investment responsiveness (Keynes, 1936). In developing economies, structural rigidities often weaken these channels, limiting the overall impact on entrepreneurship.

Fiscal policy on the other hand recorded a positive and significant influence, with an overall mean score of 2.69. Respondents agreed that fiscal policy supports economic balance, sustainable development, and output growth. However, fiscal policy was not seen as significantly increasing demand for goods and services, and concerns were raised about the negative implications of rising public debt. This suggests that while fiscal policy contributes to macroeconomic stability and production, its role in stimulating market demand remains limited. These findings support the argument that fiscal policy is a key driver of economic activity, particularly through government spending and resource allocation (Barro, 1990). However, excessive public debt can offset these benefits by creating macroeconomic instability and reducing policy effectiveness.

A comparison of the three policy instruments shows that fiscal policy has the strongest perceived impact, followed by monetary policy, while entrepreneurship policy interventions are the weakest. This implies that macroeconomic policies play a more visible role in influencing business outcomes than targeted entrepreneurship policies, which may suffer from implementation challenges.

CONCLUSION

The study reveals the pivotal role that government policies demonstrate in shaping small scale enterprises in Plateau State Nigeria by examining the impact of government policies on entrepreneurship and development of small scale enterprises. Entrepreneurship is an important driving force of business growth. Therefore, government policy forms an institutional environment in which entrepreneurial decision-making takes place. These policies act as catalysts for growth by providing essential support to small scale businesses. They can also become barriers that stifle creativity and discourage investment. However, based on the findings, the study concludes that policy interventions have varying degrees of influence on entrepreneurship growth and small-scale business development. Entrepreneurship policy interventions have not significantly contributed to business growth due to weak implementation, limited access, and inadequate infrastructure. Monetary policy shows a partial effect, mainly through credit provision, but lacks strong influence on broader economic conditions. In contrast, fiscal policy demonstrates a relatively strong positive effect, particularly in promoting output growth and economic stability, although its effectiveness is constrained by weak demand stimulation and rising debt levels. Overall, the study concludes that while policy frameworks exist, their effectiveness in driving entrepreneurship growth depends largely on coordination, implementation, and structural support systems.

RECOMMENDATIONS

Based on the findings, the following recommendations are proposed:

- 1. Strengthen Policy Implementation Frameworks:** To enhance the effectiveness of Small scale business, the government should streamline the implementation of policies by reducing bureaucratic bottlenecks and ensuring a seamless process for accessing benefits. Clear guidelines, timelines, and feedback mechanisms should be established to improve transparency and accountability. Policies should move beyond formulation to practical execution that directly benefits entrepreneurs.
- 2. Increase Access to Affordable Financing:** The government should collaborate with financial institutions to design tailored funding schemes for small scale business, including low interest loans and grants. Financial institutions should be encouraged to provide affordable credit to small-scale businesses, with reduced collateral requirements. Providing financial literacy training alongside these programs can equip small scale business with the skills needed to manage funds effectively and achieve long term sustainability.

3. **Enhance Infrastructure Development:** Investment in essential infrastructure such as power supply, internet connectivity, and transportation networks is essential for fostering an enabling environment for small scale business. These developments will reduce operational costs and improve the overall productivity of small scale business in plateau state.
4. **Implement Technology-Driven Solutions:** Leveraging technology can streamline the administration of Small scale business by developing online platforms for application processes, program monitoring, and feedback collection can improve efficiency and ensure that resources are allocated equitably.
5. **Integrated Policy Framework**

There is a need for better coordination between fiscal, monetary, and entrepreneurship policies. An integrated approach will enhance policy coherence and maximize the overall impact on entrepreneurship development

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