Urbanization Pull Indices Affecting Small-Sized Business Sustainability in Calabar Metropolis

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Abstract
This study investigated the effect of urbanization pull indices on the viability of small businesses in the Calabar Metropolis. The investigation was guided by two objectives, two research questions, and two null hypotheses. The study covered 3001 small scale business operators, comprising 2,800 Operators of Manufacturing Industry (OMIs) and 201 Operators of Service Industry (OSIs). A total of 352 participants was the sample of the study. The Taro Yamane formula was used to generate the sample. The Urbanization Pull Indices and the Small-Scale Business (SSB) Sustainability Questionnaire was used to collect data. This instrument was trial-tested on 30 respondents from within and outside the study area. Cronbach Alpha statistics were used to determine internal consistency, yielding reliability coefficients of 0.83 and 0.79 for the instrument. Mean statistics were used to answer the research questions, while independent t-test was used to test the null hypotheses at .05 level of significance. The findings indicate that the mean ratings for the effect of infrastructure and government policies on SSB sustainability in the Calabar metropolitan area did not differ significantly across OMIs and OSIs. Based on these findings, the study recommends that the state government make it easier for small businesses to run sustainably.

Keywords: urbanization, pull indices, viability, small-sized, businesses

Introduction
People from all over the world are accustomed to living and working in urban environments. Many people choose to live in cities and towns because they believe rural places are harsh and primitive. More people tend to live and work in central locations as a result of economic development and industrialization. When a central location gets urbanized, it becomes a city and it may begin to attract more people and businesses. As a result, urbanization is a direct outcome of people migrating to more developed areas. Urbanization is the process by which people move from rural towns primarily focused on agriculture to larger settlements whose principal activities are focused on government,
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trade, manufacturing, or other related interests (Thompson & Lewis, 2018). This demographic dynamic, in which an increasing proportion of the country's population lives in urban areas, is taking place all over the country (Arouri et al., 2014). Nigeria's population is estimated to increase from 221,758,142 as of February 2022 to 223,804,632 in July, 2022. Nigeria is expected to have 189 million urban residents by 2050 (United Nations, 2019a). According to the World Food Programme (2021), Nigeria's population is expected to quadruple by 2050, with a 70 percent urbanization rate, up from 50 percent currently. Similar to other rapidly urbanizing cities in Nigeria, the population of Calabar's metro region is predicted to increase to 1,020,219 in 2023 up from 631,000 in 2022, (United Nations, 2019b). These population forecasts indicate that cities are rapidly expanding, and this tendency is anticipated to continue. However, as the city's population increases, so does the number of individuals living there. On the other hand, the progressive growth in the number of people living in towns and cities creates interactions that inspire industrial activities, allowing individuals to work in the industrial sector in job categories that serve to stimulate economic development. Urbanization seems to be driven by urbanization pull indices.

Urbanization pull indices are the utilities, services, and opportunities that attract people and businesses to an area, resulting in mass urbanization. They include improved facilities, improved government policies, higher standards of education and healthcare, a higher standard of living, improved recreational facilities, job opportunities, and improved security of life and property. Others include financial, transportation, communication, sewage, water and electric systems. This study focuses on the impact of basic infrastructure and government policy on Small Scale Business (SSB) sustainability. Basic infrastructure, according to Dobbs et al. (2013), is the fundamental support system on which a community's continued growth is dependent. This definition emphasizes the critical role of infrastructure in socioeconomic development. Basic infrastructure creates the conditions for a resource-efficient, sustainable economy, ensures long-term prosperity for future generations, and provides long-term social and economic benefits to all (Global Infrastructure Hub, 2021). All forms of infrastructure, according to Vagliasindi (2022), are critical components in the production of goods and services. They have the potential to reduce the cost of supplied commodities, promote physical mobility of people and goods, remove productivity barriers, and boost competitiveness. Basic infrastructure is the systems that enable SSBs to operate. Small enterprises rely on financial, transportation, communication, sewage, water, educational, and electric systems to provide goods and services that society and the economy require. These points to the fact that the life of the society is connected to basic utilities and other services that ensures families' and companies' long-term functionality. Despite the strategic importance of the preceding points, evidence abound that critical infrastructure are lacking in quality and quantity in Nigeria due to failure on the part of government to respond favourably to the growing needs of rapidly urbanizing cities resulting in many of the difficulties faced by SSBs.

In an analysis of the infrastructure condition in Lagos and its influence on productivity, World Bank (2021) uncovered that the Nigerian government's failure to respond appropriately to the increasing demand for urban infrastructural services has resulted in a dramatic fall in productivity. The bulk of Lagos' big enterprises had electric power producing plants, which
contributed to 10 percent of the total value of machinery and equipment (World Bank, 2021). Small enterprises were hit much worse, with power generation accounting for 25 percent of their whole value. The average price for generating power by a corporation was N4.61 per kw/h; this is approximately 9 times more expensive than in industrialized countries. Higher prices are passed on to customers as a result of the high cost of generating electricity and other infrastructure services.

Many small business organizations that were unable to afford the price of supplying their own fundamental infrastructure were shut off (World Bank, 2021). This condition is consistent with the incubator hypothesis, which claims that the accessibility of utilities and other critical services has an impact on small businesses with fewer than 20 employees (Verma et al., 1991). Nigeria, according to Iheanacho (2020), has insufficient energy generation. Corporations, particularly small scale businesses, seek alternative methods of generating power because it is their lifeblood, which increases overhead expenses and diminishes net earnings. Similarly, Lee and Anas (1992) found that organizations are compelled to provide alternative sources of power and water supply. This problem is as ancient as the country, and has caused many businesses to relocate. For the time being, in Nigeria, an uninterrupted power supply is still a pipe dream.

Adenikinju (2005) observed that a typical Nigerian firm experiences power outages more than seven times per week with no prior notice. This places a significant cost on small firms due to unproductive employees, spoiled supplies, lost productivity, equipment failure, and the price of generating their domestic power. The net result is in business uncertainty, higher business expenses, a decrease in efficiency, as well as a poorer rate of investment return (Nwankwo, 2000). Lack of functional infrastructure has greatly hampered the growth potential of small and even large-scale businesses (Cissokho & Seck, 2013). Some multinational corporations are shutting their plants and moving operations to other nations due to the dreadful state of the infrastructure.

A research by Anas et al. (1996) looked at how Nigerian and Thailand manufacturing businesses' productivity and competitiveness are impacted by inadequate water, transportation, telecommunications, waste disposal, and electricity infrastructure. Anas et al. (1996) found that manufacturers suffer significant expenditures to make up for deficiencies in infrastructure services provided by the government. In addition, pricing for privately provided infrastructure can be altered from its present levels to create significant cost savings for society. While Indonesia and Thailand have already made considerable progress in the area of private sector involvement in the supply of infrastructure, Nigeria still lags behind.

What this portends is that, with weak infrastructure, Nigeria may not be able to provide a favourable climate for SSBs, which are critical to the economy's development. Business enterprises that have previously been created are unable to expand at a rate that will generate sufficient work opportunities to fulfill the needs of an ever-increasing population (CASSAD, 1993). The threats to vital infrastructure are more endemic in the Nigerian metropolitan centres, as evidenced in the preceding presentation and will become even more so as the remarkable transfer from rural to urban areas continues. Without sufficient policies to control rural-urban migration, the dangers of increased density of people, physical assets,
infrastructure, and economic activity will have far greater potential to disrupt business and society than they have in the past. How well cities are administered will increasingly determine how successfully government policies can be deployed to address these dangers.

In every economy, government policy has a significant impact on the activities that businesses engage in, as well as their revenues, costs, and net profitability. Government policy is a statement of the government's political and economic activities, plans, and intentions in relation to a specific cause (Anjaneyulu, 2023). Government policy articulates the goals, decisions, and steps made by a governing body. Governing bodies are teams of individuals who collaborate to direct and support a neighbourhood, unit, company, institution, among others (Livecareer, n.d). Government policies are part of the dynamic operating environment in which all businesses operate. Many policies are established by governments to regulate corporations (Kandul, 2022). Taxation, exchange rates, interest rates, and other government policies can all have direct or indirect effects on firms.

The government's tax policy, for instance, has long been acknowledged as a variable that can influence a company's performance. Businesses are taxed to reflect how much they use government services and to generate revenue to fund government operations. Imposing hefty tariffs on certain imported items, for example, will eventually motivate local manufacturers to intensify efforts towards the production of those goods. Local entrepreneurs may be discouraged from commencing or maintaining production if the levy on raw materials utilized in local manufacturing is excessive. Any corporation tax hike has the same result as an increase in manufacturing costs. Owners of businesses may be required to boost the cost of their final items to meet these expenditures. Value Added Tax (VAT) and environmental levies are two other taxes that may have similar effects. Despite the fact that VATs are only intended for end users, businesses may incur significant costs in administering the VAT system.

In an investigation by Igbinovia and Okoye (2017) to find out what most entrepreneurs thought about tax burdens, tax breaks and incentives for entrepreneurship in Nigeria's Benin City, they adopted a survey research design that is cross-sectional and data was collected from 140 respondents who completed a standardized research instrument based on a Likert type scale, which represented varied preferences and levels of agreement with some items. The Spearman's Rank Correlation and Ordinary Least Square regression approaches were used for data analysis. Igbinovia and Okoye (2017) reported that, a higher percentage of participants felt that tax burden is a deterrent to business expansion. While Onyeukwu (2010) acknowledged that multiple taxation is bad for business development, Onyeukwu (2010) also stated that it is a barrier to expansion, and if the host state government is hostile, it will have an impact on business sustainability.

The currency rate is another government-manipulated macro economic indicator that has a direct impact on corporate sustainability. At any given time, the exchange rate is the ratio of one currency's unit to the quantity of another currency that can be exchanged for it (Shaik & Gon, 2020). It is the relationship between domestic and international prices of products and services. Furthermore, the value of the currency may grow or decline. The currency exchange rate is the relationship between domestic and international prices of goods and services. Furthermore, the exchange rate might appreciate or depreciate. When
less domestic currency is exchanged for a unit of foreign currency, the exchange rate appreciates, but when extra local currency is exchanged for a foreign currency unit, the rate of change depreciates (Ngerebo-a & Ibe, 2013). The naira exchange rate has been continuously depreciating since September 1986, when the international currency market's second rung adopted the market-determined system of exchange rates, and most individuals have avoided investing because of the fluctuation in the currency rate. This insecurity, combined with the naira's continued devaluation in the international currency market, has led to a drop in terms of investment, a decrease in the living standard of the population, and an increase in production costs, which also contribute to cost push inflation.

In 27 of the 36 nations investigated by Bahmani-Oskooee and Hajilee (2013), they found that exchange rate volatility has a considerable short-run impact on domestic investment. Only 12 countries, according to Bahmani-Oskooee and Hajilee (2013), have short-term effects that are converted into long-term consequences. Bakare (2011) investigated the effects of reforms to the foreign exchange on the performance of Nigerian domestic private investment. For data analysis, the ordinary least square multiple regression analytical method was applied. The results of the analyzed data revealed a significant but unfavourable association between Nigeria's private domestic investment and floating foreign currency rate. As a result, a large number of small-sized businesses have been suffocated.

Another important area of economic policy that is heavily influenced by government is the interest rate (Ocampo & Vos, 2008). Interest rate is the amount a debtor pays to creditor at the expiration of a specified period for credit facility granted him. No matter how effectively a firm operates, its viability and prosperity are largely contingent on the wider economic climate (Johnston, 2019). Economic variables like interest rates can either help or hurt a company. The precise level of interest that should be used in the economy of the country is selected on a monthly basis by the Monetary Policy Committee (MPC). Without a doubt, any move the MPC makes will be felt immediately by SSBs in the country, depending on the interest rate. This is because any increase in interest rates will result in a corresponding increase in business costs. It can also have a severe detrimental impact on the purchasing power of customers, resulting in a substantial drop in business sales volume which may lead to loss of business. This apparently explains why most Nigerian small-sized manufacturing or service industries frequently fail (Iheanachor, 2020).

A small-scale business is one that operates on a small scale, requiring less capital investment, fewer workers, and fewer machines to run. Small businesses, whether production or service-based, are critical to a country's economic success. According to Undie (2021), small businesses are companies that operate in the private industry and make significant contributions to the general public's socioeconomic health. Small scale businesses are thought to account for 40 percent of Nigeria's Gross Domestic Product (GDP) and 70 percent of the country's industrial jobs (Eniola, 2014). According to Duke (2006), 87 percent of all businesses contribute an estimated 61 percent of GDP. They employ 58 percent of the workforce. Small businesses have a significant impact on rapidly urbanizing cities because they create jobs and engage in activities that may have
long-term benefits such as mobilizing domestic savings for investment, utilizing local raw materials, reducing poverty through sustainable livelihoods, and increasing personnel income, economic diversification, and technological advancement (Srnattrakalev, 2006). The purpose of which is to make profit and remain in business indefinitely while meeting the expectations of all stakeholders.

Operators of SSB employ corporate strategies to help them achieve the going concern objective, one of which is business sustainability. Business sustainability entails implementing strategic initiatives and actions that address the current demands of the company as well as its stakeholders while also safeguarding, maintaining, and upgrading the people and material capital that will be required in the foreseeable future (International Institute for Sustainable Development, 1992). Incorporating sustainability into strategic business plans and meeting corporate sustainability goals have numerous potential benefits ranging from financial to reputational, and implementing sustainable initiatives can help a company's market position and thus position it to contribute to long-term economic development. Businesses can increase their risk tolerance and respond to corporate clients more quickly by committing to sustainability and incorporating it into their purchasing methods. This improves the company's long-term viability as a source of customer satisfaction and long-term growth. The emphasis of business sustainability is on the management of resources required for a firm to thrive. The idea behind sustainability is that having a business strategy for generating long-term value from vital resources promotes corporate longevity and sustainable industrialization (Ku, 2018).

Many companies are increasingly considering it as a key component of their strategies as sustainability has become a major priority for business operators. Small scale businesses are the most important drivers of sustainable industrialization. Unfortunately, small-sized businesses are currently facing a number of challenges, including a low infrastructure profile and unfriendly policies, both of which are critical to the SSBs' long-term existence. These problems are exacerbated in part as a result of the country's inability to ensure that policies for long-term development and initiatives are implemented properly, particularly those capable of boosting the growth of SSBs (Onwukwe & Ifeanacho, 2011). According to Ugwu (2016), most entrepreneurship policies and initiatives in Nigeria lack adequate development frameworks, are subject to frequent policy and programme changes, lack a strong entrepreneurial development vision and commitment, and so pose major risks to business sustainability.

This is especially true in Cross River State, particularly in the Calabar Metropolis, where the researchers have observed that most SSB have wound up while others have relocated to neighbouring states owing to poor infrastructure and sweeping revenue mobilization drives, the majority of which are carried out by contracted agencies that occasionally devise new taxes and levies to impose on the SSB operators. These numerous taxes and levies have been eroding most operators' business fortunes, resulting in a variety of consequences including increased unemployment, slowed economic activity, and even revenue loss for the state due to the fact that the taxes are not optimal, and thus when businesses fail, they will be unable to pay any taxes at all. Multiple taxes have had a substantial impact on many SSB operators’ movement patterns. To address tax-related problems affecting SSBs, the government of Cross River State established the Anti-Tax
Agency, which was put into action shortly after its formation to control tax collectors’ excesses. Despite the efforts of the Anti-Tax Agency, the issue of numerous taxes and the relocation of SSBs from Calabar Metropolis to other locations persist. This is the context in which the study was carried out.

**Purpose of the study**

The primary goal of this research was to investigate the effect of urbanization pull indices on small-scale business sustainability in the Calabar Metropolis. Specifically, the study seeks to determine the extent to which manufacturing and service industry operators differ in their mean ratings on the effect of:

1. Basic infrastructure on small-scale business sustainability in Calabar Metropolis.
2. Government policies on small-scale business sustainability in Calabar Metropolis.

**Research questions**

The following research questions guided the study:

1. To what extent do manufacturing and service industry operators differ in their mean ratings of the effect of basic infrastructure on small-scale business sustainability in Calabar Metropolis?
2. To what extent do operators in the manufacturing and service industries differ in their average ratings of the effect of government policies on small-scale business sustainability in Calabar Metropolis?

**Hypotheses**

**Ho1**: There is no significant difference between operators of manufacturing industries and operators of service industries in their mean ratings of the effect of basic infrastructure on SSB sustainability in Calabar Metropolis.

**Ho2**: Operators of manufacturing industries and operators of service industries do not differ significantly in their mean ratings of the effect of government policy on SSB sustainability in Calabar Metropolis.

**Methodology**

The study used a survey research approach. The choice of survey research approach was informed by the fact that it enabled the researchers to study a proportion of the population that could have been too expensive to study in its entirety. The survey included 3001 Small Scale Business (SSB) operators from 1,769 registered Small Scale Businesses (SSBs) in the Calabar city (Cross River State, Ministry of Trade and Investment, 2022). There were 2,800 Operators of Manufacturing Industries (OMIs) and 201 Operators of Service Industries in the population (OSIs). The number of participants in the sample was 352. The sample was determined using the Taro Yamane formula. To select the sample, the population was divided into operators of manufacturing and service industries, and proportionate sampling technique was used to determine 10 percent of the population of OMIs and 36 percent of the population of OSIs, after which 280 OMIs and 72 OSIs were randomly selected from each stratum of the population. The percentages aforementioned were chosen because, according to Gall et al. (2003), a percentage of 10 or more is considered to be reflective of a population of between 1,000 and 5,000 people.
Using the preceding as a baseline, 10 and 36 percent of OMIs and OSIs populations, respectively, were deemed appropriate.

Data was collected using an instrument created by the researchers. The questionnaire was called the Urbanization Pull Indices and Small-Scale Business Sustainability Questionnaire (UPISSBQ). The UPISSBQ was divided into four parts: A, B, C, and D. Items on business type were included in section A of the UPISSBQ, while items on basic infrastructure and government policy were presented in sections B and C respectively. Section D of the UPISSBQ had items designed to assess the viability of small businesses. Very Great Extent (VGE) 5, Great Extent (GE) 4, Moderate Extent (ME) 3, Little Extent (LE) 2, and Very Little Extent (VLE) 1 were used as response options. The study instrument was screened item-by-item by three experts in the University of Calabar. Before the final draft was developed, the three experts' comments were used to improve the instrument. The instrument was pilot-tested on 30 respondents within and outside the study region. The reliability of the UPISSBQ was determined using Cronbach Alpha statistics, which produced reliability coefficients of 0.83 and 0.79. These figures show that the instrument was trustworthy.

The UPISSBQ was administered on 352 respondents using hand delivery method. Mean statistics was used to answer the research questions, while the independent t-test was used to test the null hypotheses tested at the .05 level of significance. For the research questions, the boundaries of each response on the 5-point Likert Type Scale were found to be 0.8 by dividing the serial width (4) by the number of response possibilities (5) (Topkaya, 2010). This value was also utilized to determine the range within which the mean values were interpreted. The permissible boundaries for each response option are shown below:

1 = 1.0 + 0.8 = 1.8; 1.0 - 1.8 Very Little Extent
2 = 1.8 + 0.8 = 2.6; 1.9 - 2.6 Little Extent
3 = 2.6 + 0.8 = 3.4; 2.7 - 3 Moderate Extent
4 = 3.4 + 0.8 = 4.2; 3.5 - 4.2 Great Extent
5 = 4.2 + 0.8 = 5.0; 4.3 - 5.0 Very Great Extent (Topkaya, 2010).

Sequel to the calculations, items with mean scores of 1.8, 2.6, 3.4, 4.2, and 5 were classified as VLE, LE, ME, GE, and VGE respectively. For the null hypotheses, the null hypothesis was rejected if the calculated value was higher than the tabular value; however, the null hypothesis was accepted if the calculated value was less than the critical value.

**Presentation of results**

**Research question one:** To what extent do manufacturing and service industries operators differ in their mean ratings of the effect of basic infrastructure on small-scale business sustainability in Calabar Metropolis?
Table 1: Mean ratings of operators of manufacturing industries and operators of service industries on the extent to which basic infrastructure affect small-scale business sustainability in Calabar Metropolis

<table>
<thead>
<tr>
<th>S/N</th>
<th>Basic infrastructure</th>
<th>Mean OMIs</th>
<th>Mean OSIs</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Transportation infrastructure</td>
<td>4.0</td>
<td>3.5</td>
<td>Great Extent</td>
</tr>
<tr>
<td>2</td>
<td>Electric power generation infrastructure</td>
<td>3.9</td>
<td>3.6</td>
<td>GE</td>
</tr>
<tr>
<td>3</td>
<td>Electric power distribution infrastructure</td>
<td>4.1</td>
<td>3.9</td>
<td>GE</td>
</tr>
<tr>
<td>4</td>
<td>Communications infrastructure</td>
<td>4.0</td>
<td>3.5</td>
<td>GE</td>
</tr>
<tr>
<td>5</td>
<td>Water supply infrastructure</td>
<td>3.9</td>
<td>3.5</td>
<td>GE</td>
</tr>
<tr>
<td>6</td>
<td>Financial market infrastructure</td>
<td>3.8</td>
<td>3.7</td>
<td>GE</td>
</tr>
<tr>
<td>7</td>
<td>Cultural infrastructure</td>
<td>4.0</td>
<td>3.6</td>
<td>GE</td>
</tr>
<tr>
<td>8</td>
<td>Waste management infrastructure</td>
<td>3.9</td>
<td>3.7</td>
<td>GE</td>
</tr>
<tr>
<td>9</td>
<td>Social infrastructure</td>
<td>4.2</td>
<td>3.5</td>
<td>GE</td>
</tr>
<tr>
<td></td>
<td>Cluster mean</td>
<td>3.9</td>
<td>3.6</td>
<td></td>
</tr>
</tbody>
</table>

Results in table 1 indicate that OMIs (3.8-4.2) and OSIs (3.5-3.9) scored items 1 to 9 as being in the range of great extent (3.5-4.2). The cluster averages of 3.9 and 3.6 for OMIs and OSIs respectively, similarly fall within the range of great extent, showing that respondents have similar views on the impact of basic infrastructure on small-scale business sustainability in Calabar Metropolis. This finding suggests that critical infrastructure in Calabar Metropolis hugely affects the long-term health of SSBs.

H01: There is no significant difference between operators of manufacturing industries and operators of service industries in their mean ratings of the effect of basic infrastructure on SSB sustainability in Calabar Metropolis.

Table 2: Independent t-test analysis of the difference in the mean ratings of OMIs and OSIs on the effect of basic infrastructure on small-scale business sustainability in Calabar Metropolis

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th></th>
<th>SD</th>
<th></th>
<th>t-cal</th>
<th>t-crit.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operators of manufacturing</td>
<td>280</td>
<td>3.21</td>
<td>0.84</td>
<td>0.15</td>
<td>1.96</td>
<td></td>
</tr>
<tr>
<td>Operators of service industries</td>
<td>72</td>
<td>3.09</td>
<td>0.77</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Significant at .05 level: df= 350

The computed t-value of 0.15 in table 2 is less than the crucial value of 1.96 at the 0.05 level of significance with 350 degree of freedom. This study maintained the null hypothesis. This implies that the effect of basic infrastructure on SSB sustainability in Calabar metropolis is not significantly different between OMIs and OSIs.

Research question two: To what extent do manufacturing and service industries operators differ in their mean ratings of the effect of government policy on small-scale business sustainability in Calabar Metropolis?
Table 3: Mean ratings of operators of manufacturing industries and operators of service industries on the extent to which government policy affect small-scale business sustainability in Calabar Metropolis

<table>
<thead>
<tr>
<th>S/N</th>
<th>Government policy</th>
<th>Mean OMI</th>
<th>Mean OSI</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Increase levies on business premises</td>
<td>3.9</td>
<td>3.6</td>
<td>GE</td>
</tr>
<tr>
<td>11</td>
<td>Tax increase on finished goods</td>
<td>3.7</td>
<td>3.5</td>
<td>GE</td>
</tr>
<tr>
<td>12</td>
<td>High interest rate into limited pool of savings</td>
<td>4.1</td>
<td>3.7</td>
<td>GE</td>
</tr>
<tr>
<td>13</td>
<td>High tax rate for raw materials</td>
<td>3.9</td>
<td>3.6</td>
<td>GE</td>
</tr>
<tr>
<td>14</td>
<td>Exchange rate fluctuations</td>
<td>4.0</td>
<td>3.5</td>
<td>GE</td>
</tr>
<tr>
<td>15</td>
<td>High interest rate on credit facilities</td>
<td>3.9</td>
<td>3.7</td>
<td>GE</td>
</tr>
<tr>
<td>16</td>
<td>Duties charged on the value of services</td>
<td>3.8</td>
<td>3.5</td>
<td>GE</td>
</tr>
<tr>
<td></td>
<td>Cluster mean</td>
<td>3.9</td>
<td>3.5</td>
<td></td>
</tr>
</tbody>
</table>

Table 3 shows that OMI (3.7-4.1) and OSI (3.5-3.7) rates items 10 to 16 as being in the region of a great extent (3.5-4.2). The cluster averages of 3.9 and 3.5 for OMI and OSI respectively, likewise fall within the range of great extent, indicating that respondents have similar views on the effect of government policy on small-scale business sustainability in Calabar Metropolis. This finding suggests that government policy is a stumbling block to the long-term viability of small businesses.

Ho2: Operators of manufacturing industries and operators of service industries do not differ significantly in their mean ratings of the effect of government policy on SSB sustainability in Calabar Metropolis.

Table 4: Independent t-test analysis of the difference in the mean ratings of OMI and OSI on the effect of government policy on small-scale business sustainability in Calabar Metropolis

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>x</th>
<th>SD</th>
<th>t-cal</th>
<th>t-crit.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operators of manufacturing</td>
<td>280</td>
<td>3.64</td>
<td>0.85</td>
<td>0.54</td>
<td>1.96</td>
</tr>
<tr>
<td>Operators of service industries</td>
<td>72</td>
<td>3.01</td>
<td>0.79</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Significant at .05 level; df= 350

At the .05 level of significance with 350 degree of freedom, the calculated t-value of 0.54 in table 4 is less than the critical value of 1.96. Based on the result in table 4, the null hypothesis is retained. This shows that the effect of policy on SSB sustainability in Calabar metropolitan area is not significantly different between OMI and OSI.

Discussion of the findings
The findings from research question one show that critical infrastructure in the study area has a huge effect on the long-term health of SSBs, while finding from hypothesis one shows that the mean ratings of OMI and OSI on the effect of critical infrastructure on SSB sustainability in the Calabar metropolitan area are not significantly different. This finding backs up Lee and Anas’ (1992) assessment that urban infrastructure is woefully insufficient and mostly deficient, resulting in low productive capacity in the industrial sector and impeding long-term company viability. The finding of this study is consistent with Iheanacho’s (2020) claim that Nigeria is constrained by limited power generation.
The discovery also lends credence to Lee and Anas' (1992) contention that businesses are compelled to provide alternative sources of power and water supply for industrial consumption. As a result, the majority of manufacturing firms have gone to neighboring states for competitive advantage. This finding could be attributed to the state government's failure to create an enabling environment for businesses to grow and play the roles expected of them in long-term economic development. Government's inability to establish and maintain a healthy business-government partnership tailored towards assisting SSBs in achieving their going concern objective may also be responsible for the outcome of this study.

Finding from research question two indicate that government policy is a stumbling block to the long-term viability of small businesses. When it comes to the extent to which government policies affect SSB sustainability in the Calabar metropolitan area, the finding of the second hypothesis shows that OMIIs and OSIIs do not differ significantly in their mean ratings. This finding lend support to Ugwu's (2016) contention that the vast majority of Nigerian entrepreneurship initiatives and methods lack suitable framework for development, are prone to policy and programme changes, lack a coherent vision and commitment to the development of entrepreneurship, and hence represent severe dangers to SSBs' long-term viability. The finding of this study supports Igbinovia and Okoye's (2017) conclusion that tax burdens are a deterrent to small business viability. This finding is also consistent with Onyeukwu’s (2010) contention that multiple taxation is detrimental to corporate development. The finding may be as reported because a high tax rate can dampen the drive to invest; on the converse, a low tax rate, tends to foster the expansion of corporate activities by increasing profits, which leads to more investment and business expansion. An extremely high rate of marginal taxation reduces an investor's desire to invest because his investment's returns are lower. Similarly, reducing business operations has a number of negative consequences, such as lower worker productivity, output, employment, and, ultimately, people's living standards. Rising borrowing costs, on the other hand, reduce the amount of money available for private investment. The flow of investment spending is determined at any one time by the calculations that operators make between the potential benefits and the expense.

Conclusion
Small-scale businesses in Nigeria's cities face unexpected and disruptive events as a result of failing infrastructure, increased taxes and levies, currency rate and interest rate volatility. Such environmental disruptions cause dramatic shifts in terms of operational disruptions, increased costs, and declining income and growth for corporate enterprises. The immediate outcome, as this study's findings reveal, is a shift of businesses to cities with competitive advantages. To keep existing businesses afloat as well as attract new ones, the government must maintain a favourable policy climate. Without a doubt, doing so will strengthen the government’s and business community's ability to carry out critical functions that will aid in the achievement of the sustainable industrialization goal enshrined in the sustainable development goals.
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Recommendations
Following the findings of this study, the following recommendations were made:

1. The state government should encourage SSB performance and longevity by creating an enabling environment for small businesses to thrive.
2. Small business owners should stay current on government policies and try to influence government decision-making and policy.

References


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