IMPROVING DIGITAL LITERACY/INCLUSION AMONG SMALL AND MEDIUM ENTERPRISES (SMEs)

( A CASE STUDY ON THE CITY OF ABA)

- Research Report (Abridged) -

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In partnership with

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Research report on

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Written by

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DEDICATION

This work is dedicated to God Almighty.

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Magnus/Joshua.
**BACKGROUND OF THE STUDY**

Digital technology has become an essential catalyst in the advancement of innovation, competitiveness, and expansion of Micro and Small Medium Enterprises globally. Unfortunately, it is arguable that digital technology in Nigeria has been fully leveraged for the improvement of basic manufacturing processes, distribution, and delivery of goods and services. The erroneous belief that Nigeria imports almost all her consumable goods, and that the few locally-produced ones are inferior to their foreign counterparts, is somewhat linked to our total embrace of crude modes of production and distribution of goods and services. With many benefits inherent in the global digital economy made possible by dynamic technological innovations, the seeming less advanced status of the Nigerian Small and Medium Enterprises requires scrutiny. Hence the need to ascertain the actual level of digital literacy and inclusion of SMEs and recommend ways to muster growth in these areas.

Aba, (Enyimba City as it is often called) is a commercial city in Abia State, South-East Nigeria and home to various industrial clusters of Micro, Small and Medium Enterprises. The city is comprised of two local government areas, Aba North and Aba South. Due to its industrial flair, the city is often regarded as the “Japan of Africa”. Aba is arguably the largest industrial hub of the South-Eastern region of Nigeria. With different market sectors, such as leather, garment, metal fabrication, woodwork it offers thousands of job opportunities, unofficially making it the Headquarters of Small and Medium Enterprises of Nigeria.

According to Mazi O. C Williams, (President of Leather Manufacturers & Producers Association of Abia State) the finished leather producers of Aba are made up of fourteen clusters with over Sixteen thousand members. It is also estimated that its garment industry directly or indirectly engages over fifty thousand members.

Aba’s status as a fascinating niche of manufacturing hub for clothes, shoes, belts and bags, metal works and fabrication, woodwork among many others makes it the desired choice as pilot for this research study.

**SIGNIFICANCE OF THE STUDY**

The findings in this report will accurately present the true state of digital literacy/inclusion among the SMEs in Aba, highlight efforts and impacts of relevant stakeholders (Innovation/IT Hubs, Government, etc) in advancing technology-influenced growth of SMEs and showcase the potentials for investment and stakeholder intervention particularly in Aba, and Nigeria at large. Thus, it is believed that it would ultimately boost profit not only for SMEs but guarantee higher returns on investment for investors.
SUMMARY OF FINDINGS

The findings of this research work can be summarised as follows:

1. The commercial city of Aba is a host to hundreds of thousands of SMEs.

2. The leather producers’ cluster of Aba has 14 clusters with over 16 thousand members while the garment cluster has over 7 clusters with over Fifty thousand members.

3. Aba is a host to five technological Hubs with different activities and projects with various impacts on its business and technological ecosystem.

4. The activities, projects and programmes of the Hubs are mostly self-funded, hence with limited outreach and impact.

5. A greater number of the Aba SME operators are digitally lagged behind and have not keyed into the thriving digital economy, but show willingness to adopt technology if they have training, mentorship and support needed.

6. There is no clearly defined Innovation and Technology Policy in Abia State.

7. Access to the SME production lines/markets is hampered due to bad roads and lack of proper identifiable addresses.

8. Production is generally done with low tech equipment due to difficulties with access to finance and power supply, which limits the kind of machine that can be used.

9. There are vast untapped investment opportunities with guaranteed payback in Aba, the ICT and power sectors.

CONCLUSION

The SMEs is a veritable sector of any nation’s economy with an ability to eradicate unemployment, create profit, raise the standard of living of citizens and increase the nation’s GDP, hence any opportunity to boost SMEs should be embraced totally, with the promising benefits of digital technology. The need then arises for supportive ways to be created for SMEs to maximise these benefits in not just the city of Aba but the entire Nigeria.
**RECOMMENDATIONS**

1. There should be a deliberate intervention to eradicate the high digital illiteracy amongst Aba SME operators to enable them key into the global digital economy, and this could be done via advocacy and structured digital skills training that can help them engage digitally.

2. Hubs in Aba should design and focus on more projects and programmes that would directly affect the SME community.

3. The government of Abia State should endeavour to create and adopt an innovation and technology adoption policy. This can be done by the relevant government MDAs in partnership with private institutions like the PPDC, Paradigm Initiative and Ighub in line with NITDA guidelines with support from Tech giants and other investors. The policy should create access to government business for tech-SMEs.

4. Already identified tech hubs in Aba should be sponsored and supported for greater impact of their projects and programmes.

5. More tech Hubs should be established in Aba and the entire Abia State.
The SME clusters need committed government and financial institutions interventions to access loan facilities that will help to improve their production and invariably their businesses.

There is also an urgent need for more awareness and capacity building on the enormous economic opportunities that has made Aba an outstanding commercial hub.

Public (Government) and Private (Companies and multilateral investments) Intervention in infrastructures like power supply, access road construction and clear addressing to enable proper and concise identification of the production lines/shops, free internet and provision of automated machines is greatly needed in Aba.

SME clusters need to be encouraged on standard and branding of their products to boost customer acceptance and satisfaction.

Government Agencies like Nigeria Export Promotion Council and other related agencies should also encourage the process by providing SME’s with necessary information and guidelines on the process and benefits of exportation.