

GOVERNMENT STIMULUS PACKAGES AND THE SURVIVAL RATE OF SMALL AND MEDIUM ENTERPRISES: A POST-COVID-19 STUDY IN EDO STATE

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Abstract

This study examined government stimulus packages and the survival rate of Small and Medium Enterprises (SMEs). The specific objective of the study was to determine whether the implementation of government stimulus packages has a significant effect on the survival rate of SMEs. Stimulus packages were dimensioned into government tax reduction and interest rate reduction. The study adopts a quantitative research technique using a data collection method through the administration of a structured questionnaire. The population of the study consists of 2,677 registered SMEs in Edo State, according to the NBS-SMEDAN National Survey of MSMEs (2017). A convenient sampling technique was used to elicit responses from 150 SME managers in Edo South. Data was analyzed using Ordinary Least Squares (OLS) analysis, the pre-estimation analyses were unit root tests, and the main analysis was done using multiple regression analysis. Findings from the analysis indicate favourable correlation between Edo State's SMEs' survival rate and government stimulus packages. In addition, the study discovered that the SME survival rate positively correlated with lower government taxes and interest rates, although this association was not statistically significant. The study recommends that firms with stronger financial positions were more likely to withstand the economic shock of the pandemic. As a result, the NGOs, organisations and government should introduce a well-monitored implementation procedure for efficiency, and the post-COVID-19 stimulus initiatives for SMEs in Edo State should be continued.

Keywords: Business Survival, Fiscal Stimulus, Monetary Stimulus, SME, Stimulus Package

Introduction

To address real-world issues and boost the economy, governments in developed as well as developing nations are looking to small and medium-sized businesses (SMEs). Small and medium-sized businesses are a driving force behind innovation, employment, and breakthroughs (Obiakor, Afolayan, Oresanwo, & Okoh, 2021; Okoh, Ojo, Aransiola, Onyohu, & Ayomitunde, 2021). Ensuring the general economic viability of both developed and emerging nations, creating jobs, reducing poverty, distributing wealth fairly, raising living standards, and encouraging community development, small and medium-sized firms have been regarded as a significant contributor to the economic development and prosperity of many nations globally (Okoh, 2020; Obiakor *et al.*, 2021).

As stated by Nigeria's Central Bank (CBN) (2018), SMEs are established to generate revenue, employment opportunities, and reached sales targets. With a population of roughly

17.4 million, the sub-sector is responsible for almost all manufacturing enterprises and more than 50% of industrial jobs (Divakara & Surang, 2018; PricewaterhouseCoopers, 2021; SMEDAN, 2021).

Nigeria was among the countries that saw changes as a result of the COVID-19 epidemic. The changes can be summed up as follows: a decrease in foreign exchange due to the lack of exporting and importing goods and services other than necessities; a rise in illness, poverty, food production, security, and the money supply (IMF, 2020; WHO, 2020); a decline in patronage due to access and mobility restrictions; a shift in business operations from in-person to online interactions; and many more. The development of the pandemic since 2020 has had a negative impact on SMEs and continues to do so (Okoh, 2020; Ayub, Mifli, & Majid, 2022). Unfavourable survival, exhilaration, and attitude towards the ongoing pandemic infection were sparked by this event. Companies have failed, and many more are in danger of going extinct as a result of the COVID-19 epidemic and the change in business strategies (Akanni & Gabriel, 2020; Ayub, Mifli, & Majid, 2022). Because of this, the majority of SMEs with minimal capital expenditures experienced an economic shock from which they are unlikely to recover quickly.

A stimulus package is a collection of economic measures that the government enacts to support a faltering economy (Ayub *et al.* 2022). In 2020, the Nigerian government introduced post-COVID-19 stimulus plans toward boosting eligible industries then position the firms for sustained economic growth. The government's implementation of these economic palliatives to support the rapid economic recovery and sustainability of SMEs in Nigeria was a commendable gesture (Amegayibor, 2023; Bularafa, 2024). Research has looked at the relationship between the COVID-19 pandemic, which triggered a considerable amount of suffering for the populace, and Nigeria's SMEs' performance. For example, studies by Assefa (2021), Bularafa and Adamu (2021), Enesi and Ibrahim (2021), and Chowdhury, Khan, and Dhar (2022) showed that market closure, movement restrictions, and lockdown had a significant negative impact on SMEs' performance and survival rate. Okoh (2020), Manasseh *et al.* (2021), and Obiakor *et al.* (2021) showed a significant correlation between government stimulus, bank lending to SMEs, and economic growth. Bello (2022), Haykai Bensaadi and Yunus (2022) studies claimed that there is a positive relationship between government stimulus and SME sustainability; however, the intended beneficiaries might not have received or used the palliatives completely, partially, or to accomplish the anticipated results.

Correspondingly, Okoh *et al.* (2022) and Haykal *et al.* (2022) studies indicated that some SMEs were not receiving government stimulus packages, hence not having financial support to sustain business operations. While Amegayibor, (2023) study discovered that some entrepreneurs are unaware of the government assistance programmes. Hence, the government stimulus effect on SMEs' survival rate in the post-COVID-19 pandemic is unclear. It is crucial to ascertain whether Edo State has completely benefited from the government's well-intentioned implementation of economic palliatives for the rapid economic recovery and sustainability of SMEs. The purpose of this study is to advance our understanding of the effects of government stimulus in enhancing SMEs' survival rate in the post-COVID-19 pandemic in Edo State.

Research Objectives

This study's primary goal is to investigate the government stimulus package and the survival rate of SMEs in Edo state; its specific objectives are to:

1. determine if the government tax reduction stimulus affects the survival rate of SMEs in Edo State in the post-COVID-19 pandemic, and
2. examine whether government interest rate reduction stimulus affects the survival rate of SMEs in Edo State in the post-COVID-19 pandemic.

Hypotheses

H₀₁: Government tax reduction stimulus does not significantly affect the SMEs' survival rate in Edo state in the post-COVID-19 pandemic

H₀₂: Interest rate reduction stimulus does not significantly influence SME survival rate in Edo state in the post-COVID-19

Review of related Literature

The definition and characteristics of the term "small and medium-sized enterprises" (SMEs) vary throughout time, among institutions, and between countries (Tabet & Onyeukwu, 2019). When defining SMEs, the total number of staff members, assets, and annual turnover are crucial factors. The International Finance Corporation (IFC) defines SMEs as companies with less than 300 workers and total assets under \$15 million (Apollos, Stephen, & Atunbi, 2018). Businesses with an asset base between N5 million and N500 million, excluding land, are categorised as SMEs (SMEDAN, 2020). The study of Bularafa (2024) classified SMEs as having a net asset value of no more than ₦1 million and total annual sales of no more than ₦2 million.

In Nigeria, over forty-one million businesses are designated as micro, small, and medium enterprises, accounting for 99.8 percent, 0.17 percent, and 0.004 percent, respectively (Ozigi & Umar, 2021). About 96% of SMEs in Nigeria are in the business sector and contribute 48% and 84% of gross domestic product and total employment, respectively (Oyelaran-Oyeyinka, 2020; SMEDAN, 2021) compared to 53% in the US and 65% in Europe. According to the European Commission (as quoted in Virglerova *et al.*, 2017), project costs, capital, employee count, sales volume, yearly business turnover, and financials can all be used to describe an SME. Therefore, the preceding definition of SMEs suggests that the idea is dynamic and that there is no single, widely acknowledged definition.

Government Stimulus Package

A collection of economic policies implemented by the government to boost a struggling economy is known as a stimulus package. By boosting employment and consumption, a stimulus package aims to revitalise the economy and prevent or reverse a recession (Hayes, 2021; Amegayibor, 2023; Bularafa, 2024). It is a purposeful attempt to boost government spending while lowering taxes and interest rates in order to help an economy recover from a downturn. The government encourages SMEs to grow by providing stimuli. Given the usage of public funds and the possibility of state budget deficits, it is questionable if such instruments help resolve or minimise SME survival rate; yet, policymakers frequently employ them to encourage the expansion and sustainability of the SME sector (Akaji *et al.*, 2021; Bello, 2022). One such financial source that must intervene to assist SMEs in obtaining the capital they need is the government. Government support is necessary at every step of a company's lifetime and is a crucial instrument for business development. The availability of access to capital for SMEs is a critical component of progress (Bello, 2022; Amegayibor, 2023).

SME existence remains a critical component of business recapture following an unexpected economic collapse such as the COVID-19 pandemic. A few studies have attempted to investigate the characteristics that affect the success of recovery for individual firms after a disaster, but the results have been inconsistent in terms of what counts most (Hayes, 2021; Ayub *et al.*, 2022; Bularafa, 2024), since the survival of a business is defined as an entity's ability to remain on the market while being observed, which is equivalent to the absence of liquidation and uninterrupted activity in the market and business environment (Kraja *et al.*, 2014; Adam & Alarifi, 2021). As a result of this growing knowledge, the government has prioritized SMEs in its policy to promote economic development, employment, and poverty alleviation (CBN, 2018; Rabi, Kabiru, Ahmad, & Samaila, 2020). Nonetheless, Bularafa's

(2024) and Okoh *et al.* (2022) studies demonstrated that the stimulus programmes introduced by the government have a favourable and significant association between business performance, SME survival, and economic sustainability, while changes in a firm's performance are strongly correlated with fiscal and monetary stimulus by the government (Igun, Mirzaei, & Yunus, 2022). Supported by Effendi, Sugandini, and Istanto's (2020) findings that government support is critical in inspiring SMEs to overcome the challenges posed by the pandemic and has a positive association with an enterprise's longevity and its use of stimulus funds.

Fiscal and Monetary Stimulus

Government stimulus programmes aim to support and boost the business operations of SMEs (Peter *et al.*, 2018). A key objective of government support initiatives is to promote development and improve the SMEs' performance. Governments employ a monetary policy known as "monetary stimulus" to boost the economy by supporting the growth and success of important industries. Lower interest rates for borrowers and the necessary incentives for SMEs to support the nation's economy are two examples of stimulation. Monetary stimulation is the process of lowering interest rates to stimulate the economy because lower interest rates lead to higher borrowing (Kessey, 2014; Hayes, 2021). More money in circulation encourages people and firms to borrow more, which reduces their motivation to save and raises their incentive to spend. Revenue from exports stimulates the economy and increases consumption (Akaji, Nwadiolor, Agubata, 2021; Hayes, 2021). Fiscal stimulus is a deliberate program in which the government transfers money, boosts consumption, and uses fiscal, expansionary, and targeted policies to encourage SMEs to grow. This includes tax breaks and deficit expenditures to assist individuals and business owners in starting their firms. Based on Hayes (2021), fiscal stimulus occurs when a government chooses to stimulate the economy by reducing taxes or increasing spending. Reduced taxes give people more money to spend, and when people's disposable income rises, they have more money available. Government financial aid initiatives, such as tax cuts and interest rate reductions, are particularly successful at helping businesses survive and enhancing the performance of SMEs during market upheavals. (Ayub and others, 2022). Financial stimulus for SMEs is a critical aspect for business continuing growth and survival. It enables entrepreneurs to innovate, improve efficiency, expand into new markets, and create millions of jobs (Akaji *et al.*, 2021).

Business Survival

Even though small businesses have been widely praised for their positive effects on economic development, local technology advancement, and the growth of indigenous entrepreneurship, among other things, several small businesses in Nigeria have performed terribly in the wake of the COVID-19 pandemic (Moses & Adebisi, 2013), which has diminished their ability to contribute to economic growth and development. Government intervention is necessary since small business owners blame this predicament on inadequate financing for their enterprises. The financing of small businesses in Nigeria has two challenges: (a) finding sufficient capital to launch the company and (b) not having enough money to maintain and grow small businesses (Onyenandu, Ishola & Udu, 2024). The ability of a firm to survive is described as its capacity to remain on the market and continue to operate while being observed. According to studies by Ayub *et al.* (2022) and Dietch & Corey (2011), the incapacity of the business to liquify and its flexibility in navigating the marketplace and business environment are comparable. A key component of a company's recovery from a natural disaster is its ability to create jobs, goods, and services (Amegayibor, 2023). Fachrian and Hidayat (2023) concur, stating that a business needs funding regardless of whether it is starting a new business or expanding an old one.

In the wake of the COVID-19 pandemic, governments must save the SME sector by providing a stimulus package to help them preserve their position while offering the jobs and support they need in order to sustain economic growth and development. Finance facilities must be readily available and easily accessible for SMEs in Nigeria to function effectively. Since the availability of credit awakens the ambitions of potential business owners, SMEs need adequate credit facilities to generate income from productive activities. This would help to boost the severely undercapitalised local businesses and the financial gap caused by the pandemic (Amegayibor, 2023; Fachrian & Hidayat, 2023).

Theoretical Framework

The underlying theory employed to strengthen the study is Resource-Based Theory (RBT). The theory grew largely out of Penrose's (1959) study, in which she cited unused managerial resources as the primary driver of growth. Penrose and Penrose (2009) proposed the RBT model for managing organisations' resources, diversification strategy, and profitable prospects. RBT is one of the most widely used theoretical frameworks for demonstrating how companies use their resources to generate outcomes, given that resources are frequently characterised as valuable due to their contribution to competitive advantage. Priem and Butler

(2001) contend that the theory is tautological. Some critics believed that RBT is less successful at explaining competitive dynamics in extremely volatile industries because it places a greater emphasis on internal firm resources while frequently downplaying external factors like corporate structure, regulatory constraints, and competition (Foss & Knudsen, 2003). In contrast to that, the firm's RBT explains how resources and capacity are related to firm performance and views a company's resources and capabilities as a key source of competitive advantage and improved financial performance (Barney, 1991; Teece, Pisano, & Shuen, 1997). According to Barney (1991) and Wade and Hulland (2004), resources are the assets and competencies that a corporation can utilise to identify and respond to market opportunities or threats. These resources include organisational capital assets such as the firm's formal reporting structure, culture, and informal relationships between groups within the business and with those in its environment; human capital assets; and physical assets such as a company's facility and its ability to access capital and raw materials (Barney, 1991; Barney, Wright, & Ketchen Jr, 2001). As a result, the theory is pertinent to the research; the resource in the theory is associated with the credit facility that the government offers SMEs, and when utilised appropriately, it will yield a positive outcome.

Empirical Review

A study by Deb *et al.* (2020) looked at how fiscal policies affected the COVID-19 pandemic. Economic production, manufacturing PMI, rate of unemployment, confidence metrics, and sovereign CDS spreads all showed that fiscal policy measures were generally successful in boosting economic activity. These impacts were statistically and economically significant, and they held up well across a range of econometric models. Additionally, emergency support measures—which make up the majority of below-the-line measures—such as corporate and household loans and equity injections—proved more successful in stimulating economic activity during lockdown periods and supply-side disruptions than demand-side interventions like tax cuts, compensation deferrals, direct cash payment transfers, and unemployment benefits.

Ayub *et al* (2022) evaluated the impact of RM100 billion in government fiscal stimulus packages for SMEs during the first wave of COVID-19 to help SMEs maintain company operations and jobs while also supporting growth in current economic conditions. The study employs the purposive sample method as well as a quantitative approach via Google Forms. The investigation yielded an overall total of 120 responses. The data were collected and analysed using Statistical Package for the Social Sciences (SPSS 26) and SmartPLS to analyze

the hypotheses. The study demonstrates that government stimulus packages have a significant and favourable impact on Sabah's SMEs' ability to survive as a business.

Haykai *et al.* (2022) research sought to examine tourist visits, sales, investments, and innovations before and during COVID-19, as well as government stimulus packages for micro and small-medium enterprises (MSMEs). Cross-sectional and quantitative data were both included in the study. 120 MSMEs in Aceh's tourist sector were given a questionnaire. Before and during the COVID-19 pandemic, inventories, sales, investments, and tourist visits were compared using a one-sample t-test. To understand how MSMEs obtain government stimulus packages, a frequency study was conducted. While innovations were comparable before and during COVID-19, the results show that visitation, earnings, and investments were less than they were prior to the pandemic. According to the frequency survey, government stimulus packages were not given to the majority of MSMEs.

Igan, Mirzaei, and Moore (2022) investigated the link between stimulus packages and firm performance during the COVID-19 pandemic. Their research revealed a robust relationship between fiscal stimulus and shifts in firm performance metrics, including the default probability, interest coverage ratio, profit margin, and sales-to-assets ratio, especially in the pandemic-affected industries. Furthermore, foreign exchange interventions had a little effect on the interest coverage ratio in the most severely impacted enterprises, while monetary policy had a minor effect on the sales-to-assets ratio.

Obasi (2022) investigated business operations and workforce in Nigeria during the COVID-19 pandemic: Does the government's COVID-19 business stimulus measure in Nigeria matter for business? utilising a structured questionnaire and a random sampling technique with a sample size of 150 firms. The study employed logistic regression analysis as the data analysis method, and the findings demonstrated that while COVID-19 had a detrimental effect on Nigerian workforce and business operations, the government's COVID-19 business stimulus had a beneficial effect on businesses by lowering the number of business collapses.

Okoh *et al.* (2022) investigated the financial implications of CBN post-COVID-19 stimulus packages on the viability of Nigerian SMEs, focusing on three regional centers: Lagos State, Ogun State, and the Federal Capital Territory. 568 out of 600 participants eventually provided enough information to be used. SME firms' profitability and inventory were used to determine their economic viability. Both statistical and economic methods were used to assess how the CBN's post-COVID-19 stimulus packages affected the variables. In three important centers Lagos State, Ogun State, and the Federal Capital Territory the study discovered a

positive and significant correlation between the economic sustainability of SMEs and the CBN's post-COVID-19 stimulus packages. This indicates that the post-COVID-19 stimulus packages implemented by the CBN significantly improved the economic viability of SMEs in the chosen COVID-19 epicenters in Nigeria.

Bularafa (2024) assesses the effect of CBN stimulus packages on MSMEs in Yobe State, Nigeria, in terms of encouraging long-term economic development. Survey research was conducted. The survey comprised 234 of the 600 recipients of the CBN's COVID-19 stimulus packages in Yobe State. Data was analyzed with multiple linear regressions and Pearson correlations. The findings of the study demonstrated that stimulus packages significantly affected MSMEs' performance in four areas: profitability, stock/output level, product/service quality, and personnel turnover/retention. Also noted was that the CBN COVID-19 stimulus package has an impact on MSMEs' performance in Yobe State, Nigeria. The study concludes that in the long run, government support can lead to business expansion and promotion due to supply and demand, higher profits, and staff retention.

Method

This study was carried out in Benin City, Nigeria. The study adopts a quantitative research technique using a structured questionnaire to solicit the opinion of the respondents and to understand the effect of the government stimulus packages on SMEs post-COVID-19 survival rate in Benin City. The population of the study consists of 2,677 registered SMEs in Edo State, according to the NBS-SMEDAN National Survey of MSMEs (2017). A convenient sampling technique was used to elicit responses from 150 SME managers in Edo South. The study applied the convenient sampling technique, where researchers can select the sample to meet specific criteria (Gregory *et al.*, 1995).

Data for the study were obtained through the primary source with the aid of a questionnaire. The questionnaire was designed on a five-point Likert scale from 1-Strongly Disagreed to 5-Strongly Agreed. The data was analysed using Ordinary Least Squares (OLS) analysis, and the pre-estimation analyses were unit root tests. The main analysis was done using multiple regression analysis tests. For stationarity, the unit root test was used.

$$\text{SMESU} = f(\text{GSP}) \dots\dots\dots 1$$

$$\text{GSP} = f(\text{GTR}, \text{IRR}) \dots\dots\dots 2$$

Substituting equ 2 into equ 1

$$\text{SMESU} = \beta_0 + \beta_1 \text{GTRS} + \beta_2 \text{IRR} + e_t \dots\dots\dots 3$$

Where

SMESU = Small and Medium Enterprise Survival Rate

GTR = Government Tax Reduction

IRR = Interest Rate Reduction

et = Stochastic error term.

β_0 = Intercept

$\beta_1 - \beta_2$ = Parameters to be estimated > 0

Result

Table 1: Unit Root Test Using ADF

Variables	P-Value	Order Of Integration
SMESU	0.0009	(1,0)
GTR	0.0497	(1, 1)
IRR	0.0002	(1, 1)

Source: Researcher's computation 2025

The ADF was used in the study to test the variables for the unit root problem. At first difference, every variable was stationary (GTR and IRR) except SMESU, which was stationary at the level.

This means that the variables were stable.

Table 2: OLS Regression Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.317076	0.281800	1.125183	0.4365
GTR	-0.065861	0.059687	-1.103451	0.9033
IRR	-0.105584	0.084960	-1.242750	0.4248
R-squared	0.826912	Mean dependent var		3.044167
Adjusted R-squared	0.653824	S.D. dependent var		1.034520
S.E. of regression	0.207451	Akaike info criterion		-0.203405
Sum squared resid	1.377148	Schwarz criterion		-0.027458
Log likelihood	7.661286	F-statistic		79.46309
Durbin-Watson stat	2.122343	Prob(F-statistic)		0.007677

Source: Researchers' computation 2025

The result of Table 2 revealed that government tax reduction (GTR) and interest rate reduction (IRR) considered in this study account for 82.69% variation in Small and Medium Enterprise Survival Rate, and this was endorsed by the adjusted R-squared of 65.38%. Also, the result revealed that at least one of the GTR or IRR, or both, considered in this study significantly influences the Small and Medium Enterprise Survival Rate, and the study is free from serial auto-correlation because the DW statistic of 2.122 was approximately 2 using the rule of thumb.

A unit increase in government tax will negatively affect the small and medium enterprise survival rate by 6.5%. This means that any time the government increases taxes, the small and medium enterprise survival rate will drop or reduce 6.5%, or six and a half SMEs will go out of business. Additionally, the outcome showed that a rise in interest rates will negatively affect the small and medium enterprise survival rate by 10.5%. This means that any time there is an increase in interest rate, the small and medium enterprise survival rate will suffer or reduce by 10.5%, or the equivalent of eleven (11) SMEs will go out of business.

Hypotheses Testing

H01: Government tax reduction stimulus does not significantly affect the SMEs' survival rate in Edo State in the post-COVID-19 pandemic.

Variables	p-value
GTR	0.9033

Source: Researchers' computation 2025 Prob. @ 5% sig

Since the p-value (0.9033) is greater than 0.05%, the study accepts the null hypothesis, which states that government tax reduction stimulus does not significantly affect the SMEs' survival rate in Edo State in the post-COVID-19 pandemic, and rejects the alternative hypothesis that government tax reduction stimulus does significantly affect the SMEs' survival rate in Edo State in the post-COVID-19 pandemic.

H02: Interest rate reduction stimulus does not significantly influence SME survival rate in Edo State in the post-COVID-19

Variables	p-value
IRR	0.4248

Since the p-value (0.4248) is greater than 0.05%, the study accepts the null hypothesis, which states that interest rate reduction stimulus does not significantly influence SME survival rate in Edo State in the post-COVID-19 pandemic, and rejects the alternative hypothesis that interest rate reduction stimulus does significantly influence SME survival rate in Edo State in the post-COVID-19 pandemic.

Discussion

The results showed that the government COVID-19 stimulus packages had a significant influence on the SMEs survival rate in Edo State, Nigeria. This was measured by taking into account SME survival factors such as government tax reduction (GTR) and interest rate reduction (IRR). These particular variables were chosen to illustrate the extent to which SMEs in Edo State, Nigeria, have survived the pandemic. The findings showed there is a significant

link between government stimulus packages and SME survival rate. This significant relationship may result from SME efficient utilization of the stimulus package.

This finding is consistent with the finding of Okoh *et al.* (2022). The findings also indicate a significant relationship between the stimulus package and the stock/output level of MSMEs. This significant and positive link may result from the fact that MSMEs used the stimulus package to acquire more stocks, resulting in higher output levels. This finding is similar to the findings of Obasi (2022); the study revealed that the government's COVID-19 business stimulus had a beneficial effect on businesses by lowering the number of business collapses. The findings of the study revealed a significant relationship between the stimulus package and product/service quality of SMEs. These findings may be a result of the stimulus package that benefited SMEs, who were able to use the package to provide quality products and services. This finding is in line with the findings of Okoh *et al.* (2022). Lastly, findings of the study also revealed a significant relationship between the stimulus package and employee turnover and retention. This relationship may be due to the SMEs ability to pay employees because of the assistance received. The study findings concur with (Bularafa, 2024; Igan *et al.* 2022; Obasi, 2022; Okoh *et al.* 2022). A prior study conducted by Deb *et al.* (2020) found the contrary.

Conclusion

In conclusion, the study's findings indicate that the government stimulus package has an impact on the survival rate of SMEs in Edo State, Nigeria. As a result of supply and demand, higher revenue, and employee retention, businesses may eventually expand and advance. Due to the convenience of doing business and the increased returns, consumers are now purchasing their items. In the post-COVID-19 pandemic, SMEs are able to stay productive and survive thanks to the stimulus packages. More research in this area with a larger population and in other economic sectors is essential. The government stimulus package played a crucial role in helping SMEs maintain efficiency and sustain their business operations.

Recommendation

In line with the findings of this research, the following recommendations were made:

1. To start, the study is based on a single observation and may not have fully captured and described the causal effects. Future studies should be based on longitudinal data to carefully analyse the conclusions on the compounds that were tested in this study and should use the larger sample size to validate the reported empirical results.

2. Firms with stronger financial positions were more likely to withstand the economic shock of the pandemic. As a result, the NGOs, organisations and government should introduce a well-monitored implementation procedure for efficiency. Also, the post-COVID-19 stimulus initiatives for SMEs in Edo State should be continued
3. The monetary authority should occasionally communicate with the government agency that oversees fiscal policy so that they may observe how these and other stimulus packages can greatly impact the sustainability of SMEs and enhance company performance.

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