

THE RELEVANCE OF ENTREPRENEURSHIP DEVELOPMENT IN REVAMPING NIGERIA ECONOMY

Faith Onyekachukwu Ezeaku

ezeakufait1983@gmail.com, 08036167373

Department of Insurance, Federal Polytechnic, Oko

Abstract

Entrepreneurship development is an indispensable factor to the economic growth of any nation. Many countries attained their economic self-sustenance through entrepreneurship development. The entrepreneurs don't look for job, they create job and can be used as a vibrant tool to revamp the economy of a country. This paper looks at the current economic situation in Nigeria. It highlights the problems and challenges to entrepreneurship development in Nigeria and recommends ways entrepreneurship can revamp the economic situation of the country. The paper emphasized that government at all levels should encourage and promote entrepreneurship development through provision of basic infrastructure, power and water supply, financial assistance/ empowerment, good governance, security training, education and sustaining policies.

Keywords: Entrepreneurship, revamp, economy, development, and empowerment

Introduction

Entrepreneurship is a word derived from French verb *entrepredre* which means to undertake. Basically entrepreneurial is generally describe as the ability of an individual or group of individual to create and discover opportunity and utilize it to benefit himself and the society at large.

Dau and Currover-Cazurra (2014) defined entrepreneurship from a legislative point of view as a creation of people who co-ordinate their effort to produce fresh value-added economic activity.

Entrepreneurship is a watershed moment for wealth creation and socioeconomic development since it significantly improve the quality of life of people, sectors and the overall economy. It promotes creative and unconventional thinking and leads to development of new and environmentally friendly products. The entrepreneurs don't look for job, they create job, they think

outside the box and create new ideas that other people are afraid of venturing into and bear risk with their own resources. However while some view it as a direct relation, other see it as an indirect kind of relationship. The interest has been fueled by the desire to understand entrepreneurship in Nigeria, the entrepreneurs have impacted so much in the economic development of the country by creating their own job in other to improve their standard of living without depending on government.

Entrepreneurs have the potential to transform the economy of a developing country like Nigeria. They have strong believe that, they can control events around them. entrepreneurship is an attempt of new business or new venture such as self-employment, new business organization or the expansion of an existing business.

There is a strong link between entrepreneurship and economic development of any nation. The entrepreneurship skills sustained the economy of all the various tribes in Nigeria before the coming of the white men with their slave trade that interrupted the entrepreneurship business and the economy of the country.

The condition of the Nigerian economy today is quite disturbing as it tends towards a downward trend. The Nigerian economy today cannot match the existing level of poverty and unemployment. Entrepreneurship skills development and the formation of new skill business can be used to revamp the economic growth, reducing poverty and unemployment.

This paper therefore tries to emphasize on the need for Nigerian government to diversify the economy by encouraging and promoting the adoption of entrepreneurial skill as a vibrant tool to be used in improving the poor state of the country's economy.

Conceptual Frame Work

This paper was based on the concept of resource based economy. Entrepreneurship is resource based business to meet the demand of the people. Entrepreneurs make use of the available economic and human resources to create products. Entrepreneurs are creative thinkers. They utilize the economic resources of the country such as land, labour, mineral and available equipment to create a business. They create and combine the heterogeneous resources into product which make them develop business establishment.

Companies use the resources and equipment to create a product. These resources and equipment could be sourced through importation. Entrepreneurship rely

heavily on local sources for their product which reduces the importation of materials. The resource based economy therefore gives the entrepreneur a competitive advantage over the imported goods which helps to boost the economy of any country. The study by Barney and Mackey (2005) on resource based theory emphasized on the importance of resources as a determinant of competitive advantage and performance of a firm.

Problems and Challenges to Entrepreneurship Development in Nigeria In spite of government efforts to promote entrepreneurship in Nigeria, there are problems militating against the development. Some of the problems and challenges to entrepreneurship development in Nigeria are:

- i. Lack of capital to start up
- ii. Poor power supply
- iii. Poor road and enabling environment
- iv. Poor infrastructure
- v. Inflation
- vi. Unsteady government policies
- vii. Multiple taxation by the government

i. Lack of capital to start up This is one of the most common challenges entrepreneurs face in Nigeria no matter the idea and vision you have, you need money to put your idea and vision into the right channel of business.

Inadequate capital is one of the problem encountered by Nigeria Entrepreneurs.

Nigeria is present economy has never encouraged starting or growing business because of its poor state. The economy is never stable and this is why entrepreneurial development in Nigeria has been difficult from the beginning. Some young entrepreneurs forgo their dreams and divert

to seek for job from established institution in order to raise capital.

Oduma (2012) asserted that capital availability is critical to the established and long term availability of every business, regardless of the size, focus, or goal.

ii Poor power supply

It is unarguable true that electricity is needed to run many business lack of steady power supply is a major challenges facing entrepreneurship development in Nigeria. This has made many business to resort to using petrol and diesel powered generators. The cost of running these generator adds greatly to the cost of running business.

iii Poor road and enabling environment

Sama (2011) pointed out, the value of logistics as expressed in time and place. Product and services have no value unless they are in possession of the customers, when (time) and where (place) they wish to consume them. Most of our entrepreneurs find it difficult to transport their products to get to their customers because of bad roads. One can hardly boast of 10km good road in Nigeria. Most often their products are stock on the road for days and weeks before getting to the final destination.

iv. Poor infrastructure

Most of our entrepreneurs work in poor accommodations and environment. This is very hazardous to their health, the state of their working environment reduces their product output.

v. Inflation

Inflation is a general and progressive increase in prices. It is affecting every aspect of the Nigeria economy. The rise of dollar against naira is not encouraging and have affected every single items in the market. The prices of raw materials for production and finished products are

increasing every day. The entrepreneurs find it difficult to assess raw materials for production which increase the running cost and slow down production growth.

vi. Unsteady government policy

Most times, the government comes up with policies that are not in the best interest of the entrepreneur. This could take the shape of restriction or outright ban on certain imported raw materials. The elimination of subsidies, tax increase are only a few. Entrepreneurs in Nigeria has been facing challenges from the change of every government that assumed power and change the policy of the previous government or make amendments without minding how it affects the common man and their business.

(Young, Welter & Cinger, 2017) stated that high quality institutional environment especially regulatory environment tend to promote entrepreneurial flexibility which reduces uncertainty and facilitates market innovation.

vii. Multiple taxation by the government

Taxes for small and medium enterprises have been more harmful than beneficial as they increase running cost and slow down growth.

Though individual or business need to pay tax as part of their civil right but the tax payment have become enshrined in crime and corruption. Most of these taxes imposed have no legal backing. Some are duplicated among those with legal backing. This has made it difficult for the entrepreneurs to run their businesses smoothly.

Human Development Challenge

Human resources play an immense role in the success or failure of any organization or nation in terms of capability and strength of

character of the leaders and followers. In Nigeria, this is one of the problem that have led to poor economic state. The reflection of the lack of investment in human capital development and poor management of natural resource because of education, which plays a critical role in human development and economic health of the nation, has been neglected for decades. One has to understand the tribulation of the educational institution and social infrastructure to appreciate the magnitude of the problem facing the economy. Before independence in 1960 schools in Nigeria were properly funded and managed and the student were well behaved and the quality of graduates were equal to those from advanced nation. But things went sour when the greedy and “me first” home-grow politician took the centre stage and the school were allowed to rot away.

Ovaiawe (2010), argue that Nigerian youths can be better positioned for economic development and entrepreneurship through proper and focused education. The nation educational system lack tools to produce quality graduates who can contribute meaningfully to national development and manage the affairs of the nation or compete effectively and enlarge the nation economy. Entrepreneurship Education and Training Most of the entrepreneurs are not educated and properly trained before venturing into a business. Majority of them find it difficult to read, write and communicate properly to their customers. The education background affect them both in their business transactions and business managements. Majority of them are in poor economic state because of poor education background and training.

Way Entrepreneurship Can Improve Economy of Nigeria.

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The economic condition of Nigeria today need flexible individual with entrepreneurial value attitude and mental capacity for creative thinking and innovative behavior that can generate new ideas and ways of improving their economic standard of living. This will assist in meeting the demand of the environment and economic growth of the country.

Entrepreneurship can improve the economic condition of Nigeria through the following ways.

- i. Wealth creation and raising standard of living: Entrepreneurs uses the available economic and human resources to create products. The entrepreneurship skills helps them to create businesses which generate income and employment; the entrepreneur can therefore afford the basic necessities of life such as housing, clothing, food, education, good health care delivery etc. and raising the standard of living.
- ii. Reduction in unemployment: The entrepreneurs through job creation provide employment for multiple other job seekers and reduce poverty. A reduction in the level of unemployment increases productivity and income generation which will improve the economy of the country.
- iii. Improves development: Entrepreneurship development encourages setting up new businesses that rely heavily on local resources. These businesses, most often located in less developed and awkward areas help in the development of these areas,

creating employment opportunity and reduction in urban migration and population explosion.

- iv. Crime Reduction: Entrepreneurship reduces crime by creating jobs/employment. It is strongly believed that unemployment is responsible to a large extent for the level of social complication of armed robbery, kidnapping, banditry, drugs peddling, prostitution, cybercrime etc. when individuals are self-employed, frustration and involvement in different types of crime will reduce.
- v. Entrepreneurship helps to improve the country's export activities. The product and services that arise from entrepreneurship meet domestic requirements while also generating strong demand in foreign market. The export activities help countries economy by providing foreign exchange which is critical component of economic development and will also help to reduce the import duties and over dependence on imported materials.

Conclusion

Though entrepreneurship is important in the development of the society, but they cannot work in isolation. They need the right environment to thrive. The judicial system, the educational system, the financial system and general government policies should be used to encourage and promote entrepreneurs. Basic infrastructures such as power, water and

transport system are necessary to boost entrepreneurial skills and business.

Recommendation

- Government should improve on the policies that will help the entrepreneurs acquire necessary capital payment through loan and other special empowerment scheme to finance the entrepreneurship.
- Development and provision of infrastructural facilities and technical assistance that will help entrepreneurs acquire technical knowledge and managerial skills.
- Provision of regular power supply, pipe borne water and good roads.
- Provision of grassroots regulatory body to assist and encourage grassroots development of entrepreneurship skill. This regulatory body will be responsible for identifying all the entrepreneurs that abound in the local areas and take measures to sustain them.
- Removal of taxes and import tariffs where necessary to encourage the growth and sustenance of entrepreneurship development. This will also encourage more participation with small capital to set up the business.
- Government should assist in marketing the entrepreneurship product and provide market information for the entrepreneurs
- Government should create an enabling environment and equip the skilled entrepreneurs as obtainable in advance nations to enhance their production.

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