

BUILDING ENTREPRENEURSHIP CAPACITY AND DEVELOPMENT IN CONTEMPORARY NIGERIAN SOCIETY

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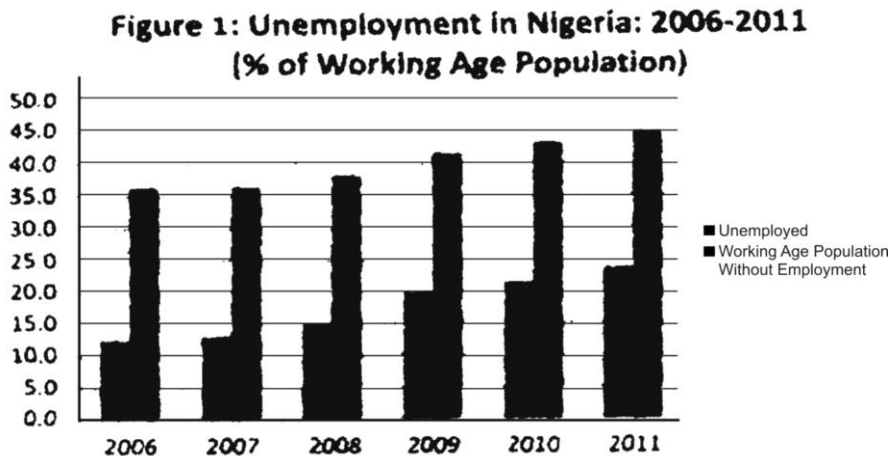
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Abstract

It is an indisputable fact that there are increasing calls for economics driven by value creation, the exploitation of economic innovations and new order not only in Nigeria but the world over. That is why there is the need for critical assessment of the current economic situation of the country and capabilities in entrepreneurship as the way forward. This paper concluded that entrepreneurship is crucial to the creation of the required manpower and skills necessary for the acceleration of growth in the Nigerian economy and reduction of unemployment, poverty and over-dependency on the oil sector and the quest for "paid employment".

1. Introduction

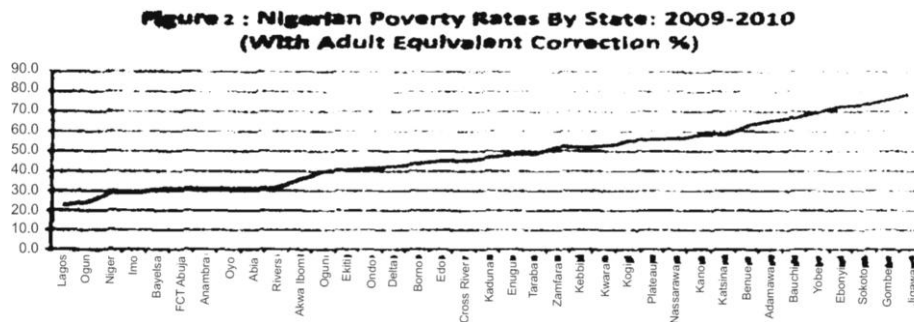
The onset of industrialization in the 17th century brought the importance of entrepreneurs as a separate factor and contributor for production. The industrial revolution, it must be noted, also gave a special status to the entrepreneur. According to Obiajuru (2012), in Ihugba, Odi and Njoku (2013), it has become paramount in a "specially tottering economy" like Nigeria's that her citizens, young and old alike unemployed, under-employed and even the employed are expected to take on enterprising and risk-taking characteristics in order to sustain family and self above the poverty line. Nigeria is a country of over 170 million people of different backgrounds in different spheres of life and the country is fundamentally known as an oil producer which it highly depended upon and generates about 80% of its revenue from the sector. This over dependency on oil has created several challenges for the country where a sizeable number of its labour force run after jobs rather than being masters of themselves and creators of jobs. The World Bank (2013) report also states that job creation in Nigeria has been inadequate to keep pace with the expanding working age population, to the extent that Nigeria has the largest army of unemployed and under - employed youths in Africa. As illustrated in the World Bank report below, the official unemployment rate has steadily increased from 12% of the working, age population in 2006 to 24% in 2011.



Source: World Bank's 2013 Nigeria Economic Report.

As shown in this figure 1, 44.6% of the working age population in Nigeria was categorized as being either unemployed or out of the labor force. As better summarized, one out of every three Nigerian is either unemployed or under-employed, with millions of youths, mostly graduates who do not possess even single entrepreneurial skills with which to fend for themselves. The Bank, also stated in their report that —Wage jobs in Nigeria are scarce and provided mostly by Government, with the heart-rending consequence that it is mostly those who are infected to the men in authority that get the few government jobs that fall due. As consequences of the above scenario, it has been truly observed that youth unemployment is the biggest problem confronting Nigeria, only next in line to problems of Electricity and infrastructure. Unemployment in Nigeria is the root cause of poverty, youth restiveness, gangsterism, bank robberies, kidnapping, assassination, lawlessness and all kinds of deviant behaviors which has seriously retarded and discouraged foreign investors from coming to

invest in the country. World Bank (2013) reports that while official statistics place Nigeria among the fastest growing economies in the World, with growth concentrated in the pro-poor areas of small scale agriculture and trade, more direct indicators of social welfare of the population would appear to tell another story. It continues that estimated poverty rates declined only marginally between 2003 – 2004, and 2009 - 2010, implying that given growth in the population, the number of Nigerians living in poverty is increasing significantly.



Source: *National bureau of Statistics, in 2013 Nigeria Economic Report (World Bank).*

The pattern of spread in the country is that as at the statistics of 2010, four Northern states and one South Eastern State have the highest poverty rates, while Lagos and the South West states have the lowest estimated poverty rates. The burden of poverty is more in the rural areas than the urban areas of Nigeria (as can be seen in figure 2 above).

Table 1: Nigerian Urban Vs Rural poverty Rates (% of Population) 2009 -2014.

	2013-2014	2009-2010
Per capita		
Poverty rate	64.2	62.6
Urban Poverty	52.2	51.2
Rural Poverty	73.4	69
Adult equivalent		
Poverty rate	48.3	46.1
Urban Poverty	36.8	34.3
Rural Poverty	57.4	52.9

Source: *World Bank Calculations on NBS figures (2013 NER).*

It is worthy of note that the issue of oil, the nature of education received by Nigerians and their low level quest (until recently) for new order in term of creativity, innovations have drastically affected the economic growth and development of the nation. Consequently, the Nigerian economy seems to have lost its focus (especially as justified by the new government of President Mohammadu Buhari when he posited that the Nigerian economy was in bad shape) and hence, the need for quick intervention. It is in an attempt to reverse the declining nature of the economy that the intervention brought by the current government policy

direction of private sector led growth for job and wealth creation which is anchored on entrepreneurship is expected to be pursued with vigor and all the priorities and attention.

2. The Concept of Entrepreneurship

To drive entrepreneurship is to set up a process through which individuals are made participating members of their society in developing the capability and capacity to live in the society and equally contribute meaningfully towards its economic growth and development. To this extent therefore, entrepreneurship is self-employment oriented which will also generate employment opportunities to others. It is the most effective approach for bridging the gap between science and market place, creating new enterprises and bringing new products and services to the market. Summing up this idea, Duru (2011) posits that these entrepreneurial activities significantly impact the economy of a nation by building the economic base and provide job.

Developments in entrepreneurship are sometimes seen as arising from three sources-namely:

- a. From the contributions of economic writers and thinkers on the role of entrepreneur in economic development and the application of economic theory
- b. From the psychological trait approach on personality characteristics of the entrepreneur, and
- c. From social behavioural approach which stresses the influence of social environment as well as personality trait.

Generally speaking, entrepreneurship could be defined as dynamic process created and managed by an individual (the entrepreneur), which strives to exploit economic innovation to create new value in the market. The entrepreneur therefore, is a person, who has entrepreneurial mind with a strong need for achievement. Furthermore, Shane (2003) in Ekankutno and Kemebaradikumo (2011) described entrepreneurship as the act of being an entrepreneur. As a French word, an entrepreneur is "one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods".

It is important to identify that the result of entrepreneurship or becoming an entrepreneur may bring about:

1. Self establishment (a new organization or new business);
2. Taking over already existing business (the revitalization of mature organization in response to perceived opportunities)
3. Inherit business venture; and
4. Franchisement.

In today's world and as pointed out earlier in this paper, anybody, industry or business leader with innovation and creative business abilities is described as an entrepreneur or someone who engages in entrepreneurship. The entrepreneur must therefore perceive business opportunities and take advantage of the scarce resources to meet with unlimited opportunities profitability. The entrepreneur bears risks and equally directs the available human and

material resources to achieve economic, social and financial goods of the enterprise. The entrepreneur must be willing to put his or her career and financial security on the line and take risks in the name of an idea, spending much time, as well as, capital (wealth creation in other to create further wealth) on an uncertain venture. These uncertainties according to knight (1921) in Ekankumo and Kemebaradikumo (2011) can be classified into three:

1. Risk: Measurable statistically;
2. Ambiguity: Hard to measurable statistically, and
3. True Uncertainty: Impossible to estimate or predict statistically.

For an entrepreneur to be successful in his or her entrepreneurial activities, he or she must adequately perform the following functions:

1. Identification of business opportunities.
2. Selection of opportunities.
3. Decision on form of enterprise.
4. Allocation and distribution of resources.
5. Co-ordination of other factors of production.
6. Planning and controlling organizational programmes and activities.
7. Mobilization and utilization of local raw materials.
8. Risk bearing.
9. Creating of employment opportunities.
10. Marketing activities for customers' satisfaction.
11. Innovation to meet up with the needs of the market.

To effectively and efficiently perform these functions identified above, the entrepreneur according to the USAID - funded research by McBer and Management international in Manu and Brown (1987) listed the following fourteen (14) personal entrepreneurial characteristics as common behaviour of successful entrepreneur:

1. Take initiative;
2. See and act on opportunities;
3. Persistent;
4. Personally seeks information;
5. Concerned for high quality;
6. Committed to fulfilling contracts;
7. Oriented to efficiency;
8. Plans systematically;
9. Solve problem in original ways;
10. Demonstrates self-confidence;
11. Takes calculated risks;
12. Assertive;
13. Persuasive; and
14. Use influence strategies.

These traits of successful entrepreneurs can be grouped into four (4) categories such as:

(a) Personal characteristics. (b) Interpersonal skills. (c) Conceptual skills. (d) Technical skills.

The functions and personal characteristics highlighted earlier points to three important components of entrepreneurship, which are:

- i) Entrepreneurship consists of basic personality characteristics which mix together values, abilities and motivation. These includes: creativity, assertiveness which are somehow innate to the individual.
- ii) Entrepreneurship is viewed in terms of enterprise attributes like planning systematically, seeking and acting on opportunities among others.
- iii) Entrepreneurship goes beyond individual attributes to the performance of economic or social roles like managing a small business.

3. Locating Entrepreneurship Opportunities in Nigeria's Developing Economy

With the United Nation programme of Global Action for Sustainable Development, and the quest of the Nigerian nation for the diversification of economy and reduced emphasis on "paid jobs", the need to locate and develop entrepreneurship opportunities cannot be underestimated. Most good business opportunities do not suddenly appear, but rather result from an entrepreneur's alertness to possibilities or, in some cases, the establishment of mechanisms that identify potential opportunities. Most entrepreneurs do not have formal mechanisms for identifying business opportunities, some sources are often fruitful. These include consumers and business associates, members of distribution system, and technical people. Often, consumers, such as business associates purchasing products to fit a certain lifestyle, are the best source of ideas for a new venture. It is usually very common to hear people say "if only there was a product or service that would"; this comment usually results in the creation of a new business. Many businesses have started as a result of complain about poor quality or high cost of the product or service by the consumers. Many other entrepreneurs have identified business opportunities through a discussion with a retailer, wholesaler, or manufacturer's representative. Technically oriented individuals often conceptualize business opportunities when working on other projects. There are several entrepreneurship opportunities in Nigeria. According to the Nigeria Small and Medium Scale Enterprises Toolkit, Developing a Business Idea is (a) A matter of creating a vision, (b) Leveraging your strengths, and (c) Determining what the markets needs.

- a. **Create a Vision:** The toolkit says you should envision what you want by answering the following questions: (a) where do you live? (b) How do you spend your days? (c) What kind of work do you do? (d) Do you work alone or with others? (e) Who are you surrounded by? (f) What do you do when you are not working?
- b. **Leverage your Strengths:** Determine what you good at: (a) Everyone is good at something.(b) Your skills can be a foundation for a business (c) Many entrepreneurs have ended up making money in areas outside their profession.(d)

List the things you enjoy doing (e) Itemize the skills you have acquired over the years.

- c. **Figure out what the Market Needs:** Keep your business antenna up, with an eye for unfilled opportunities; (a) Is there a gap in the market? (b) Is there a market in the gap? (c) Is there a product or service that would make life easier for people you know? (d) Is there something that everybody hates to do that you can do for them? Your ability to answer these questions will open up entrepreneurship opportunities for you.

4. Potential Factors on Challenges and Prospects of Entrepreneurship Development in Contemporary Nigerian Society

The following are some of the potential factors on the challenges and prospects of entrepreneurship development in Nigeria today:

- a. Economic Factors: These include Market, Capital, Labour, Taxation, Inflation, Raw materials, Condition for importation/acquisition of needed inputs.
- b. Psycho-Social and Cultural Factors: These include Legitimacy of entrepreneurship (e.g. taboos, social climate, and social attitude e.t.c), and Social mobility (e.g. social characteristics, open system, flexibility in role relationship, relative, social blockage, social setting e.t.c.)
- c. Marginalization
- d. Profit opportunities
- e. Nature of business growth and certainties
- f. Funding
- g. Level of initiative and innovativeness

5. Conclusion and Recommendation

It is concluded fact that entrepreneurship development is crucial to the creation of the required manpower and skills necessary for the acceleration of growth in the Nigerian economy and reduction of unemployment, poverty and over-dependency on the oil sector and the quest for "paid employment". A critical assessment of the current economic situation of the country, especially at this time when most state Governments of the Federation are unable to pay staff salaries backed with persistent threat on "down-sizing" and "wright-sizing" the building of capacities and capabilities in entrepreneurship is the way to go.

To this extent, every opportunities open for entrepreneurship development should be fully exploited and optimized. The creation of such opportunities put an immediate challenge on the government shoulders by way of creating the necessary enabling environment to make way for entrepreneurship particularly in the 21st century and the current democratic experience with mounting hopes and expectations. Government should create an investor-friendly environment which encompasses stable macro-economic policies in various dimensions especially in those areas that may either serve as challenges and creating prospects to the development of entrepreneurs.

Government must therefore galvanize all resources and efforts of all stakeholders in this regard and channel them towards creating an economy of innovative and invention-oriented people.

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