

The Assessment of Entrepreneurship Development in Sustaining Economic Growth of People in Ijebu North East LGA, Ogun State, Nigeria.

Keinde T.O. & Oseji, A.S.

Department of Business Management
College of Social & Management Sciences
Tai Solarin University of Education
Ijagun, Ijebu Ode,
Ogun State Nigeria.
taiwooso@yahoo.com, Akposej@yahoo.com
+2348036400703, +2348037126680

ABSTRACT

The study examined the assessment of entrepreneurship development in sustaining economic growth of people in Ijebu North East local government area. The study also established that entrepreneurship play important role for economic growth, and it also has effects on the standard of living of the people. A self designed questionnaire was used to collect relevant data for the study. The study adopted a simple random sampling techniques to select a sample of 150 respondents for the research survey. Percentage tables, mean, were used to analyze the data collected and chi-square statistical method was used to analyse the research hypotheses. The study adopted a descriptive research design and a survey method. Findings from the study revealed that the policy implications for promoting the type of entrepreneurship that will contribute to high economic growth and positive externalities inclusive, will need to raise both quantity as well as the quality of entrepreneurial ability. Thus, the study recommended that there is the need for good infrastructural facilities as well as priority to capacity building for technological innovation by the government. Development of entrepreneurial skills married with excellent knowledge of information and communication technology as additional key to technological and entrepreneurial development is crucial. The government and other stakeholders should strengthen training for entrepreneurs by facilitating the development of entrepreneurship courses in the public and private sector that would equip entrepreneurs with requisite skills and knowledge to survive in the dynamic business environment.

Keywords: Entrepreneurship, Economic, Growth, Development, Capacity Building.

Aims Research Journal Reference Format:

Keinde T.O. & Oseji, A.S. (2016) The Assessment of Entrepreneurship Development in Sustaining Economic Growth of People in Ijebu North East LGA, Ogun State, Nigeria. *Advances in Multidisciplinary Research Journal*. Vol 2, No.2 Pp 59-66

1. INTRODUCTION

Entrepreneurial development has been conceived by successive government as a programme of activities to enhance the knowledge, skill, behaviour and attitudes of individual and groups to assume the role of entrepreneurs. Taking this into account they have put in place confidence for building successful programmes in different parts of Nigeria. It is in this regard that the federal government has adopted several strategies and policies towards entrepreneurial development in Nigeria by establishing institutions and agencies which provide variety of support services to entrepreneurs.

The policy implementation saw the introduction of entrepreneurship development programmes (EDP) in Nigeria. These programmes are usually targeted at owner-managers of small business firms as well as those identified to possess potential for self-employment. For instance, participants in Nigeria's National Directorate of Employment (NDE) as similar programmes in the country are expected to undergo EDP training. This usually include entrepreneurial tool which ranges from the preparation of a business plan with the emphasis on finance, marketing, management and production, identification of new business opportunities, alternative suppliers and market, source of finance, cash flow analysis and record keeping to training people to think and act in an entrepreneurial way (Amaechi 2010).

Entrepreneurship development is an operation directed towards economy sustenance of the individual and economy stability of the country. Many scholars have written widely on entrepreneurship and its potency to the development of any given economy. The experiences of developed economies in relation to the role played by entrepreneurship buttresses the fact that the importance of entrepreneurship cannot be overemphasized especially among the developing countries. In order to highlight its significance in relation to the growth and development of a given economy, entrepreneurship has been variously referred to as "source of economic growth". This is because entrepreneurial activities have been found to be capable of making positive impacts on the economy of a nation and the quality of life of the people (Adejumo, 2010).

Studies have established it positive relationship with stimulation of economic growth; employment generation and employment of the disadvantaged segment of the population, which include women and the poor. (Okpara, 2011). Third world countries such as Nigeria is richly endowed with abundant human and natural resources. The country is blessed with a variety of mineral deposits including petroleum, natural gas, uranium, tin columbines, coal, precious metal, gemstone and a vast agricultural farmland. Therefore Nigeria is not economically developed because the country has so many features of underdevelopment which among others include: high unemployment rates, heavy dependence on oil, low agricultural production, low utilization of industrial capacity, high inflation rate, low literacy level, poor state of infrastructure, low income per head, subsistence agricultural practices, low industrial capacity, absence of stable polity, high infant mortality and lack of industrial infrastructural base. These constraints has enormously limited the growth of entrepreneurial activities in Nigeria; hence the Nigeria economy is still undeveloped. Nigeria as a country has numerous business and investment potentials due to the abundant, vibrant and dynamic human and natural resources it possesses. Tapping, these resources require the ability to identify potentially useful and economically viable fields of endeavors.

Thus, entrepreneurship activities and innovative ingenuity in Nigeria have developed enterprises in the following areas: food stuffs, restaurants, fast food vending, quarrying, gemstone cutting/ polishing, power generation, haulage business (Cargo and passengers), manufacturing and repairs of GSM accessories and the printing and selling of recharge cards, construction and maintenance of pipelines, drilling, refining bye products, refuse collection/ disposal, recyclement, and drainage/sewage construction job, banking, Insurance and stock trading, machines and tool fabrications. There is also the building and construction, where there are plan and design services and material sourcing (Agbeze, 2012). Entrepreneurial development is conceived as a programme of activities to enhance the knowledge, skills, behaviors and attitudes of individual and groups to assume the role of entrepreneurs as well as efforts to remove all forms of barriers in the part of entrepreneurs to create society wealth for human capacity building. Entrepreneurial development is therefore the bedrock for human capacity building.

1.1 Statement of the Problem

A very serious attention is being paid to entrepreneurship education in tertiary institution in Nigeria and the world over. For instance in Tai Solarin University of Education where I come from, there is a centre for entrepreneurial vocation where potential graduate receives entrepreneurial skills to be self reliant. Gana (2010) defined entrepreneurship as the process of using private initiative to transform a business concept into a new venture or to grow and diversify an existing venture or enterprise with great potential.

Nigeria educational system that turns out graduates from about 150 Universities and 50 Polytechnics and Monotechnics have not trained our graduates to be self reliant, before now, but to depend solely and largely on white collar jobs for substance. As a result, there are several graduates from Nigerian Universities today who are not gainfully employed. Apart from the book knowledge that they gained there are no requisite skills to make them self dependent. There is therefore the need to engage the youth who constitute over 60 percent of the population in meaningful engagement to avoid unhealthy alternatives for this group of people. There are many factors that

influence the growth of economic progress. These factors are climate, education, property right, saving propensity, presence of seaports etc. The empirical literature of growth has found that a large number of economic and non-economic variables that may influence economic development. Not all economists suggest that the entrepreneur is the main instrument needed to enhance economic development.

2. THEORETICAL FRAMEWORK

The basic agent in most production, growth and distribution theories is entrepreneur. Entrepreneurship as the driving force for economic growth found its most explicit foundation in "Joseph Schumpeter's theory of long waves". "Everyone is an entrepreneur when such a person actually carries out new combinations". Schumpeter defines his theory of long waves of business cycles and economic growth on the basis of concept of creative destruction. Business cycles are derives as the findings of innovation which related to the generation of a new idea and its implementation on new product, process or service, effective for the dynamic growth of the national economy, the increase of employment, and creation of pure profit for the innovation enterprise (Schumpeter 2004). The standard economic growth models predict while developing economics grow through the accumulation of human and physical capital and increasing specialization once an economy has entered the industrialized phase of capitalist development, a qualitative change in the driving force of economy growth. In developed of advanced industrial economies, growth is increased through the process of technological advancement and knowledge accumulation brought about by R&D efforts of firms (Jones, 2013). A model which was presented by Schmitz in which he defines that entrepreneurial activity is a key point of productivity growth. The particular focuses of model on the theme of initiative activities of entrepreneurs is economic growth. This focus, as motivated by the growth experience of many economies, describes that, it is less the innovating entrepreneur than the initiating entrepreneur who contributes to growth. "Initiating entrepreneurs are entrepreneurs who initiate existing activities and put them into practice, thereby often creating knowledge through a process. (Drucker, 2010).

2.1 Related Issues

For several years during the 20th century, government in less developed countries, witnessed considerable changes in the roles as assigned by economist from time to time. Up to the end of the second war world, the state was assigned limited role in terms of involvement in economic activities. At independence, several countries attained the commanding height of the economy in the public sector. The government focused on frameworks for stabilization of economy through diverse micro and macroeconomic policies. The frameworks could not achieve conducive macroeconomic environment, poverty reduction, economic growth, full employment, infrastructural development, research and development (R&D) among others. In general, the overall objective of public expenditure to improve social welfare and the performance of private commercial sector remain elusive. With the resultant macro economic imbalances, unemployment sour to it highest in the past few decade, couple with debt crises that plagued several of the developing economies. Many of the tested policies of International Development Agency such as Structural Adjustment Programme (SAP), Accelerate Development Programme (ADP), Integrated Rural Development Programme (IRDP) turned out to be active-poor rather than anti-poverty, that is lacking a human face. In developing countries, like Nigeria, consequently economic growth and development indices move at opposite direction giving the growth-development paradox. That is, economic growth and development plans of developing nations not been in tandem with realities to drive the economy to robustness and thus improve socio-economic indices.

Entrepreneurship in Nigeria started when people in the village and farming communities produced more products than they needed, as such, they had to exchange these surpluses with those who needed them within their immediate and neighboring communities. The exchange of goods for goods or services was based on trade by barter initially, until commodity money was developed and used. Exchange encouraged specialization among producers, and the communities came to realized that they can concentrate on the areas of production they are best fitted. Consequent on the above, the culture of entrepreneurship started in Nigeria (Nicks, 2008, in Raimi and Towoba, 2011). The socio-economic impact of entrepreneurship on the sustainable economic growth of the Nigeria economy is difficult to accurately measure or estimate, but it is believed to be highly dynamic and significant (Chin et al, 2010). However, a study estimated that between 45 and 60 percent of the urban labour force, work for small private enterprises or what is otherwise called small business, (Aruwa, 2012). Another study suggest that entrepreneurship has been beneficial because the Nigeria sector, comprising of small and medium enterprises provides diverse employment opportunities for 50 percent of the country's population and 50 percent of its industrial output (Ariyo 2010).

2.2 Purpose of the Study

The study examined the assessment of entrepreneurship development in sustaining economic growth in Ijebu North East Local Government Area of Ogun State Nigeria; and specifically to:

- Highlight the challenges facing entrepreneurship development and sustainable growth and
- To determine the influence of public policy on entrepreneurship development.

2.3 Research Questions

The study was guided by the following questions

1. **Are there challenges facing** entrepreneurship development and sustainable growth?
2. Does public policy influence entrepreneurship development?

2.4 Hypothesis

H₀₁: There is no significant difference in entrepreneurship development and economic growth

H₀₂: There is no significant influence of public policy on entrepreneurship development

3. METHODOLOGY

3.1 Research Design

The study employed descriptive survey design to obtain information from respondents.

3.2 Population

The population of the study comprised of all small business enterprises in Ijebu North East Local government Area.

3.3 Sample and Sampling Techniques

A sample of a hundred and fifty (150) sole and business enterprises was selected and used for the study through purposive sampling technique.

3.4 Instrumentation

A researcher developed questionnaire was used to collect data for the study. The instrument was structured on a 4 point-likert scale of agree, strongly agree, disagree and strongly disagree and numerical value of 4, 3, 2, 1 respectively.

3.5 Validity of Instrument

The instrument was given face validity by a senior colleague, and corrections and inputs of the validates were been incorporated into the final instrument.

3.6 Reliability of the Instrument

The Cronbach alpha method was used to test for reliability of the instrument in terms of internal consistency. The calculated reliability co-efficient was 0.82.

3.7 Method of Data Collection

The data for the study were elicited using questionnaire. It was designed to elicit information from various respondents. The design of the questionnaire was simple and respondent friendly.

4. DATA ANALYSIS & PRESENTATION OF RESULTS

4.1 Data Analysis

The descriptive statistics of mean and trend analysis was used for the research questions raised, while the hypotheses were tested with chi-square analysis t-test at 0.05 level of significance

4.2 Results

Question 1: Are there challenges facing entrepreneurship development and sustainable growth?

Table 1: Financial constraint is a serious factor militating against entrepreneurship development.

Respondents	No	Percentage %
SA	12	28
A	22	30
D	11	22
SD	10	20
TOTAL	50	100

Source: Researcher field survey

From above it is clearly seen that out of the total respondents, 58% of the respondents in support of the statement, 22% disagreed, while 20% strongly disagreed. This indicates that financial constraint is a serious factor militating against entrepreneurship development

Table 2: Poor state of infrastructure is a hindrance to entrepreneurship development and the survival of small scale enterprises.

Respondents	No	Percentage %
SA	21	42
A	29	58
D	-	-
SD	-	-
TOTAL	50	100

Source: Researcher field survey

The analysis from table 2 shows that all the total respondents (100%) responded in support of the statement. This indicates that the dilapidated infrastructure is a problem combating with entrepreneurship development and the survival of small scale enterprise

Question 2: Does Public policy influence entrepreneurship development?

Table 3: Public policy have influence on entrepreneurship development.

Respondents	No	Percentage %
SA	11	22
A	20	40
D	9	18
SD	10	20
TOTAL	50	100

Source: Researcher field survey

The analysis from table 3 shows that out of total respondents, 22% of them strongly agreed with the statement, 44% of them agreed, 18% disagreed, while 20% strongly disagreed. It indicates that public policy has influence on entrepreneurship development in Nigeria.

Table 4: The role of government in the promotion and development of small scale enterprises in Nigeria is encouraging

Respondents	No	Percentage %
SA	30	60
A	10	20
D	7	14
SD	3	6
TOTAL	50	100

Source: Researcher field survey

From the above, it shows that out of the total respondents, 80% of them responded in support of the statement that the role of the government in the promotion and development of small-scale enterprises in Nigeria is encouraging, 14% of them disagreed, while 6% strongly disagree with the statement.

4.3 Hypotheses

H₀₁: There is no significant different in entrepreneurship development and economic growth.

Table 5: Table showing summary of analysis

Variable	N	DF	Sig-Level	X ² cal	X ² tab	Decision
Entrepreneurship dev. Economic dev.	50	9	0.05	35	8.75	Accept

5. DISCUSSIONS

At 0.05 if, $\chi^2 > 0.05$, that is $35 > 7.81$ then H_1 is accepted. Hence the test is significant. From the above it can be affirmed that entrepreneurship has impact on economic growth.

H₀₂: Public policy does not have influence on Entrepreneurship development in Nigeria.

Table 6: Table showing summary

Variable	N	DF	Sig-Level	X ² cal	X ² tab	Decision
Influence of public policy Entrepreneurship dev.	50	9	0.05	11.44	2.86	Accept

At 0.05 if, $\chi^2 > 0.05$, that is $11.44 > 7.81$ then H_1 is accepted, hence the test is significant. From the above it can be affirmed that public policy has influence on entrepreneurship.

6. CONCLUSION

The obvious conclusion from the findings of the study is that entrepreneurship has a strong link with economic growth and that team enterprises contribute more to employment generation, income earning and economic empowerment as well as overall economic growth than sole enterprises. Again government should formulate and implement policies that are germane in creating an environment conducive for team entrepreneurship to thrive. Entrepreneurial orientation should be based on stimulating local entrepreneurial talent and subsequent growth of indigenous companies. This in turn would create jobs and add economic value to a nation and at the same time it will keep our scarce resources within the country.

7. RECOMMENDATIONS

The following recommendations were made based on the findings of the study

1. Government can meaningfully enhance economic growth by providing infrastructure for the smooth operation of markets.
2. Government should give priority to capacity building for technological innovation, good infrastructure and provide environment conducive for business that will lead to sustainable economic growth.
3. Since entrepreneurs are vital to economic growth, legislators and other leaders who develop economic policies should strive to encourage the innovation and risk taking of entrepreneurs.
4. The market and enabling environment must be competitive.
5. There must be in place policy and regulations that guarantee freedom of trade, within or without. Trade is very important for growth and prosperity.
6. The government and other stakeholders should strengthen training for entrepreneurs by facilitating the development of entrepreneurship in the public and private sector that would equip entrepreneur with requisite skills and knowledge to survive in the dynamic business environment.
7. Government needs to look inwards and tap into other resources, place more attention on the development of small and medium sized enterprises for sustainable economic growth.

REFERENCES

1. Adejumo, G. (2010). Indigenous Entrepreneurship development in Nigeria: Characteristics, problem and prospect; *Journal of Business Administration*, 2(1) 112-122.
2. Agbeze, C. (2012). Entrepreneurship: The need to create wealth; why not now. *Ohafia today*, 2(32): 7-12.
3. Amaechi, U.F. (2010). Entrepreneurship. Enugu Publisher Ltd.
4. Ariyo, D. (2010). Small firms are the backbone of the Nigeria economy. Retrieved Nov. 8, 2005 <http://www.africaeconomicanalysis.org>
5. Aruwa, S. A. (2012), The Nature and Content of Entrepreneurship Education in Tertiary Institutions in Nigeria. A paper presented at an International Conference on Entrepreneurship organized by Chike Okoli Centre for Entrepreneurial Studies, Nnamdi Azikiwe University, Awka, Nigeria.
6. Chu eta al. (2010). "An empirical study of Nigerian entrepreneurs: success, motivations, problems and stress" *International journal of business research*. Articles.com.16aug, 2010.
7. Druker, P .F. (2010). Innovation and Entrepreneurship. Practice and Principles. London, Heinemann.
8. Gana, J. S. (2010). Entrepreneurship. Jofegan Associates. Kaduna ISBN 978-33318-0-9
9. Jones, C. I. (2013). Introduction to Economic Growth. 2nd ed. W. W. Norton & Company: New York, N. Y.
10. Nicks, O. (2012). The History of entrepreneurship in Nigeria. <http://bizcoving.com/hisotry/the.historyof-entrepreneurship-in-Nigeria>.
11. Okpara, F. O. (2010). *Entrepreneurship: Test and Cases*, Enugu, Precision Printers and Publishers.
12. Raimi, L & Towobola W.L. (2011). Open distance learning (ODL) A catalyst for Educational and Entrepreneurship Development in Nigeria. *Continental journal of Education Research* 4 (3) 1-11.
13. Schumpeter, J. (2004). The Theory of Economic Development. Havard University Press, Cambridge, Mass.