



The Strategic Importance of Entrepreneurship as a Mechanism for Sustainable Economic Growth in Nigeria

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ABSTRACT

The focus of this paper is to critically assess the strategic importance of entrepreneurship as a mechanism for sustainable economic growth in Nigeria considering the experiences of developed nations like the America, Europe, Japan, India, and China. Entrepreneurship has been instrumental in economic growth, balanced regional development, and job creation in most dynamic economies, where technology is changing at a faster rate and the product life cycle is becoming less. Research in entrepreneurship development indicates that there is a lack of a theoretical model to examine rural entrepreneurship development particularly in the developing countries like Nigeria. The methodology adopted in this paper is the narrative – textual case study (NTCS); it is a social science research method that relies on the information and data from several sources for problem-solving. It is a fact that entrepreneurship development plays a vital role in economic development of any nation including the developing countries like Nigeria. However, despite this, most entrepreneurial policies and programs seems to favour the urban centres until recently when efforts are geared towards the rural areas. Thus, this paper examines the strategic role of entrepreneurship in the development of the rural areas in a developing economy. The study reveals that the right business environment for entrepreneurship is lacking in Nigeria on account of bad and inadequate infrastructural facilities, political instability, terrorism, multiple taxes, all stand as barriers to entrepreneurship and economic growth. The paper concludes that government should focus on adequate security, improve infrastructural facilities and enabling environment that will lead to economic growth which can be sustained to a developmental level.

Keywords: Nigeria, Strategic, Entrepreneurship, Sustainable Development, Economic Growth.

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1. INTRODUCTION

Entrepreneurship in Nigeria started when people in the villages 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 neighbouring 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 specialisation among producers, and the communities came to realise that they can concentrate on the areas of production they are best fitted for. Consequent on the above, the culture of entrepreneurship started in Nigeria (Nicks, 2008; Raimi and Towobola, 2011). The developed countries have long before now regard entrepreneurship and small scale enterprise as the best means of reducing poverty and sustaining their economy while the developing countries have just turned to these sectors (SME) as a strategy to reduce poverty and increase economic growth because entrepreneurship is a seed bed of innovations, inventions, and employment. The socio-economic impact of entrepreneurship on the sustainable economic growth of the Nigerian economy is difficult to accurately measure or estimate, but it is believed to be highly dynamic and significant (Chu, Kara, Benzing, Cynthia 2010).

On account of encouraging entrepreneurial initiatives, the country has experienced growth in the number of private enterprises. However, majority of these businesses are very small when their operations are measured in terms of capital, employment, and revenues (Attahir and Minet, 2000). Added to the above is difficulty confronted by small businesses in accessing bank credits, but the most serious and damaging problem threatening the state of entrepreneurship in Nigeria is a lack of government interest and support for micro, small enterprises (Ariyo, 2005; Chu et al., 2008). In addition, entrepreneurship and small and medium enterprises development is hampered by many challenges like insecurity, bad roads, corruptions, multiple taxes, epileptic power supply, rising overhead cost, the global economic meltdown and global pandemic. All these challenges and similar others have attracted global attention. The informal sector, which largely comprises the nano, micro-small scale enterprises in trade, services, agricultural and non-agricultural business, is estimated to provide 80% of jobs in rural and urban centres. Unfortunately this sector, remain at the subsistence level due to poor motivation, non-availability of basic infrastructural facilities and poor enabling environments.

This paper, therefore, discusses how Nigeria can attain a sustainable economic growth through the effort of the entrepreneurs and the government. The broad objective of this paper is to highlight the challenges facing entrepreneurship and sustainable economic growth in Nigeria using NTCS Analysis. With the challenges highlighted, realistic recommendations would be proffered for the nation to move economically forward.

2. LITERATURE REVIEW

Theoretical evolution states that entrepreneurship is the driving force behind organisation since it coordinates other factors of production like land, labour and capital. Many economists accept the idea since the time of Marshal that entrepreneur is the coordinating factor for other factors of production. The concept of entrepreneurship has continued to undergo innovations, this theory however is not applicable to less developed countries because entrepreneurs in less developed



countries rarely produces brand new product rather they rely on the foreign product or service or imitate the product and production process that have been invented by the developed countries.

There is no adequate literature that explores entrepreneurship and economic growth in Nigeria, hence reliance is on materials from developed and developing countries for a deep insight into the impact of entrepreneurship on sustainable economic growth and development. Entrepreneurship is the creation and management of a new organisation designed to pursue a unique, innovative opportunity and achieve rapid, profitable growth (Shane and Venkataraman, 2000). Vale (1990) as cited by Kanothi (2009) defines entrepreneurship as “an unrehearsed combination of economic resources instigated by the uncertain prospect of temporary monopoly profit”. Entrepreneurship also entails the act of risk- taking, innovation, arbitrage and co-ordination of factors of production in the creation of new products or services for new and existing users in human society (Acs and Storey 2004, Minniti and Lévesque 2008, Naudé 2007, Kanothi, 2009). The deliverable of entrepreneurship is making or doing things differently; making or providing innovative products or services; or organizing how the products are made or supplied

Oduşina (1975) as cited by Emmanuel (2004) defined entrepreneurship as the process of using available capital in any form, for business endeavors in an open and free market economy for the sole purpose of making profit and it includes all enterprises in new field or older ones at all risk levels. Awodun (2008) adopted the same approach in his effort to describe entrepreneurship; he saw entrepreneurship as an act of the recognizing opportunities in one’s environment. Mobilising resources to take advantage of such opportunities, Ensuring the provision of new or improved goods and services to consumers; and obtaining profit in return for the risk to dare. Ogundele OJk (2007), views entrepreneurship as a process of performing the entrepreneurial functions overtime in a given environment. Lawal, Kio, Sulaimon and Adebayo (2006) refer, to entrepreneurship as the act or process of identifying business opportunities and organizing to initiate a successful business activity. Adesanya and Akosile (2022) concludes that entrepreneurship is the process of initiating a business enterprise using available resources within the immediate environment and nurturing it to a successful end. Initiating an enterprise is best done through Nano, micro- small medium enterprise which form the bedrock of economic growth.

According to Kindleberger (1977) as cited by Akosile, Adesanya, Ajani (2012) economic growth is defined as an increase in the macroeconomic variables like increase in the nation per-capita income, expansion in labour force, consumption pattern and volume of trade. Economic growth is the increase in the value of the goods and services produced by an economy. It is conventionally measured as the percent rate of increase in real gross domestic product, or GDP (Jones, 2002). Growth is usually calculated in real terms, i.e. inflation-adjusted terms, in order to net out the effect of inflation on the price of the goods and services produced. In economics “economic growth” or “economic growth theory” typically refers to growth of potential output, i.e., production at “full employment,” which is caused by growth in aggregate demand or observed output (Erbee and Hagemann, 2002). Hence the nexus between entrepreneurship as a catalyst for sustainable economic growth has been over discussed in the recent literature.



During the days of the British Empire, the UK economy was the largest in the world and the first to industrialise, though this led to industrial revolution and it has declined in significance, but the UK is still the sixth largest economy in the world by purchasing power parity. GDP growth was 3.1 per cent in 2018, but it is expected to increase in the future, with GDP growth forecasts of 4.2 per cent in 2019 and 5.1 per cent in 2020. The UK has a population of over 61m and a GDP per capita is US\$57.4k, which makes it the 30th richest country in the world, above the European Union average of US\$63.8k (Economy Watch, 2019). Market liberalisation in the Chinese Economy has brought its huge economy forward by leaps and bounds.

China's economy is huge and expanding rapidly. In the last 30 years the rate of Chinese economic growth has been almost miraculous, averaging 18% growth in Gross Domestic Product (GDP) per annum. The economy has grown more than 10 times during that period, with Chinese GDP reaching 8.42 trillion US dollars by 2017. In Purchasing Power Parity GDP, China already has the biggest economy after the United States. Most analysts project China to become the largest economy in the world this century using all measures of GDP (Economy Watch, 2019). The smaller public sector is dominated by about 200 large state enterprises concentrated mostly in utilities, heavy industries, and energy resources (China Daily, 2019).

India, an emerging economy, has witnessed unprecedented levels of economic expansion, along with countries like China, Russia, Mexico, and Brazil. India, being a cost effective and labour intensive economy, has benefited immensely from outsourcing of work from developed countries, and a strong manufacturing and export oriented industrial framework. With the economic pace picking up, global commodity prices have staged a comeback from their lows and global trade has also seen healthy growth over the last two years (Economy Watch, 2019). Indian economy has been predicted to grow at a level of 8.9 %. Growth in the Indian economy has steadily increased since 1989, averaging 7.7% per year in the 33-year growth record. In fact, the Indian economy has posted an excellent average GDP growth of 9.8% since 1994 (the period when India's external crisis was brought under control). Many factors are behind this robust performance of the Indian economy in 2004-05. High growth rates in industry and service sector and a benevolent world economic environment provided a conducive backdrop to the Indian economy. Another positive feature was that the growth was accompanied by continued maintenance of relative stability of prices (Economy Watch, 2019).

Studies indicated that small enterprises are the leading force in the development of African economies and are essential for economic growth in many developing countries (Chu, Kara, and Benzing, 2010). Entrepreneurial initiatives especially innovation, risk bearing, employment creation, new opportunities identification and the commercialisation of results of inventions have indeed contributed to the prosperity in many regions of the world (Schumpeter, 1950; Ukaegbu, 2000, Chu, Kara and Benzing, 2008). In Africa, the contribution of entrepreneurship cannot be underscored. For instance, Ghanaian micro-enterprises employ less than 5 people, yet accounted for 70 percent of country's workforce (Government of Ghana, 2003; World Bank, 2016). Similarly, Kenya's private SMEs sector employed 3.2 million people and contributed 18 percent to the nation's GDP (OECD, 2015).



Nigeria has not been able to experience accelerated growth because it is a mono-product economy with the large proportion of government revenue coming from crude oil wealth, while numerous other solid minerals remain unexploited and untapped, even where it is tapped it is for the interest of the private corrupt government officials and not a common wealth. The economy has disproportionately relied on the primary sector (subsistence agriculture and the extractive industry) without any meaningful value addition to growth and development. Consequently, the little growth recorded in the economy, so far, has been without commensurate employment, positive attitudinal change, value reorientation, and equitable income distribution, among others. These bleak growth indicators could be attributed to poor leadership, poor implementation of economic policies, weak institutions, poor corporate governance, endemic corruption, et cetera (Sanusi, 2010).

The challenge, therefore, is how will Nigeria get out of the economic mess considering the bulk of challenges and it seems no solution in sight, however the support given to the entrepreneurs of small medium enterprises by the Central Bank of Nigeria may go a long way if properly implemented to cause a gradual economic growth.

2.1 Entrepreneurship development

In an attempt to defined entrepreneurship development, Entrepreneurship is the willingness and the ability of an individual to seek out an investment opportunity in an environment and be able to run an enterprise successfully based on the identifiable opportunities. (Fasua,2006). In a similar manner, Ogundele (2007) sees entrepreneurship as a process involving recognising opportunities in the environment, mobilising resources to take advantage of such opportunities in order to provide improved goods and services for consumers and making as a reward for risk taken. Therefore, entrepreneurship is all about environmental opportunities that are waiting to be tapped. Accordingly. It is a process of creating something new and assuming the risks and rewards (Hisrich & Peters, 2002). There are four essential elements used in those definitions: innovative process, risk taken, rewards, activities and effort. Robert et al. (2008) as cited by Esuh Ossai-Igwe Lucky, (2012) noted that entrepreneurship is the creation of something new and assuming the risk and rewards.

Entrepreneurship is therefore all about learning the skills needed to assume the risk of establishing a business and developing the winning strategies and executing them with all vigour, persistence and passion needed to win any game (Rebecca et al. 2009). The authors stressed the need for entrepreneurs/firm owners to learn new skills that would aid the firm performance. Therefore, an entrepreneur must possess some skills if he or she is to achieve a significant firm performance. Rebecca et al., (2008) Esuh Ossai-Igwe Lucky, (2012 further concluded that entrepreneurship is simply concerned with what an entrepreneur actually does - the utilisation of resources in managing an enterprise and assuming the risks and maximising profit from the business venture. They affirmed that entrepreneurship is a dynamic process of creating wealth for the well-being of both the entrepreneurs and individuals in the society. Therefore, successful entrepreneurship requires the entrepreneur to possess certain skills. These skills according to Henri Fayol are technical, human-relation and conceptual skills. Other skills required by entrepreneur includes business management skills, personal skills, negotiating skills and opportunity recognition skills- this is a skill that required an entrepreneur to identify business opportunities (Adesanya & Akosile ,2022)



From the above, it could be observed that authors have used one or more criteria to define the concept of entrepreneurship. Many stressed the need for learning new skills and techniques, recognising opportunities, mobilising resources, an act or process, rewards, taken of risk and creation of wealth. However, none has recognised the importance of nurturing entrepreneurship. Therefore, entrepreneurship definition can be better appreciated if the word “nurturing” was included. It can be seen as the process of nurturing entrepreneurship, as well as the entrepreneur from the grassroots to recognise opportunities in the environment so as to mobilise resources, by taking risk in order to create wealth and at the same time making profit through effective and efficient management of the business.

In the light of this, Arowomole (2000) defined entrepreneurship as the coming into existence in the society or country of the class of individuals, who are not timid to face odds and ready to achieve a significant performance. Accordingly, Amit, Glisten and Muller (1993) defined entrepreneurship development as the process of extracting profit (firm performance) from new, unique, and valuable combination of resource in an uncertain and ambiguous environment. Considering this definition, entrepreneurship development, could equally be seen as a gradual process in which an individual takes in establishing a business or creating wealth for the purpose of making profit. This may be in line with Amit et al. (1993)’s submission as both definitions is concern with the issue of profit, wealth creation and firm performance.

Therefore, entrepreneurship involves the process of nurturing the actual or potential entrepreneurs to become effective in running their own organisations ensuring how well the firm performs in its business operations and this has to be done at various stages and in various institutions. From the ongoing, it is clear that entrepreneurship is a process and not SMEs. Thus, it is a process to the establishment and creation of SMEs or business ventures. Entrepreneurship process leads to the birth of MSMEs and business ventures in many sectors be it manufacturing, services, wholesale, or retail, agriculture, mining and construction.

2.2 Economic growth in Nigeria

Whereas growth is an expansion in the output using the same level of inputs and without any alteration in the structure that produces the output. Economic growth therefore could be defined as an increase in the major macroeconomic variable i.e. the Gross Domestic Product (GDP) with employment undergoing some positive changes for some appreciable period. In other words, economic growth relates to a quantitatively sustained increase in the countries per capital income accompanied by an expansion in its labour force, consumption, capital and volume of trade. (Akosile, Adesanya & Ajani, 2012)

Before now the Nigerian economy is said to be one of the developed economies in Africa. According to the UN classification, Nigeria is a middle -income nation with developed financial, communication and transport sectors. It has the second largest stock exchange in the continent. The petroleum industry is central to the Nigerian economic profile. It is the 12th largest producer of petroleum products in the world. The industry accounts for almost 80% of the GDP share and above 90% of the total exports. Outside the petroleum sector, the Nigerian economy is highly less structure and lack basic infrastructure. Several failed efforts have been made after 1990 to develop other industrial sectors.



Nigeria has great potentials for economic growth and development, given her vast natural resources in agricultural lands and minerals, as well as abundant manpower. In the last two decades, economic growth rate has been very low and in many years less than the population growth rate. The general macroeconomic outcome has been poor, resulting to high poverty level (Wikipedia, 2010). GDP per capita of Nigeria expanded 132% in the 1960s reaching a peak growth of 283% in the 1970s. But this proved unsustainable and it consequently shrank by 66% in the 1980s. In the 1990s, diversification initiatives finally took effect and decadal growth was restored to 10%. Due to inflation, per capita GDP today remains lower than in 1960 when Nigeria declared independence. About 77 percent of the population lives on less than US\$1 per day. In 2010 the GDP real growth rate was 4.90 % composed of the following sectors: agriculture, 26.8 percent; industry, 48.8 percent and services, 24.4 percent. Compare to 2019 GDP of 3.80 %, composed of agriculture, 33.4 percent; industry, 34.1 percent; and services, 32.5 percent (CIA World Fact book, 2019). The low growth rate deals with insecurity and downsizing of the industrial sector in Nigeria.

One factor that impacted negatively on growth was high lending interest rates which promoted savings, but discouraged the flow of credit and investments to the real sector. Another economic phenomenon that affected growth was large budget deficits that were financed by the banking sector. Deficit/GDP ratio averaged 4.7 per cent in the last decade. The high level of deficit financing meant that the bulk of credit available to the economy was diverted to funding government, thus crowding out the private sector in the credit market. The most serious problem was inflationary pressure that devalued the currency and induced uncertainty that made entrepreneurs to postpone investment decisions. Inflation promoted the diversion of resources from productive to speculative activities with serious consequences for employment and growth (United Nations, 2018). The following are the most recent data on the growth rates of major sectors in Nigeria for period 2018-2019.

Table 1: Growth Rates of Major Sectors in Nigeria, 2019

Sector	2018 (%)	2019 (%)
Agriculture	6.3	6.1
Mining and Quarrying	-5.9	-1.0
Manufacturing	8.9	6.1
Electricity, Gas and Water	4.0	2.6
Construction	13.1	10.9
Wholesale and Retail trade, Restaurants, Hotels	14.0	11.6
Finance, Insurance, Real Estate etc	6.8	6.4
Transport and Communication	19.3	22.9
Public Administration and Defence	4.4	4.5
Other Services	10.3	10.0

Source: African Statistical Yearbook 2019 by African Development Bank

Table 2 below gives more insights into the nation's economic performance from 2010-2019. The real GDP in 2010, 2011, 2014, 2017 and 2019 were 3.8, 3.5, 7.1 and 5.3 respectively. This indicates a zigzag and inconsistent economic growth in Nigeria. The dividend of real GDP growth even when there is an increase has not been judiciously used for sustainable economic programme like entrepreneurship development and small business promotion.



Consequently, the capacity utilisation of the economy from 2010 to 2019 fluctuated between 26% and 40%. This has been blamed largely on frequent power outages, multiple taxes and other challenges to entrepreneurship development (BEEPS, 2020).

Table 2: Nigeria: Performance of the Economy, 2010 – 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2019
Real GDP Growth (%)	3.8	3.5	3.5	3	7.1	6.2	6.9	5.3	6.4	5.3	6.8
Population Growth (%)	2.67	2.61	2.54	2.53	2.45	2.37	2.38	2.379	2.025	1.99	2.0
Unemployment Rate (%)	3.6	28.0	28.0	28.0	28.0	4.9	2.90	5.80	4.9	4.9	4.9
Manufacturing Capacity Utilization	36.1	42.7	54.9	56.05	55.7	55.88	53.3	4.6	NA	NA	NA
Inflation Rate (%)	6.9	16.6	12.9	14.20	13.80	16.50	13.50	10.50	5.40	11.60	11.50

Source: The Central Bank of Nigeria, 2010-2019

3. METHODOLOGY

The methodology employed in this article is the narrative-textual case study (NTCS) method, which is preferred because of the absence of sequential data related to entrepreneurship and sustainable economic growth in Nigeria. NTCS is a social science research method that employs intensively, the information, data and academic materials made available and easily accessible by information and communication technology facilities such as intranet, internet, World Wide Web, online databases, e-libraries et cetera (Abou Zeedan and Leijon, 2007). The choice of this method is informed by the fact that NTCS combines the use of quantitative and qualitative observation, text content analysis and available official statistics in different proportions for problem -solving or problem-identification depending on the objectives of the research.

4. FINDINGS

4.1 Challenges Affecting Economic and Entrepreneurship Development

Nigeria despite its abundant natural and human resources is unfortunately faced with some challenges which in the recent years have surged appreciably cause serious set-backs to entrepreneurship development. With specific reference to the MSMEs, they are frequently harassed by government officials who extort money from their businesses. In addition, there is paucity of infrastructure including bad roads, water shortage, erratic supply of electricity, and poor telecommunication system (Mambula, 2002; Chu, Kara , Benzing, 2008). Added to the above discouraging challenge is difficulty accessing bank credits, but the most serious and damaging problem threatening the state of entrepreneurship in Nigeria is a lack of government interest and support for micro, small enterprises (Ariyo, 2005; Chu et al., 2008). Furthermore, the Business Environment and Enterprise Performance Surveys (2017) identified fifteen (15) critical challenges facing businesses in Nigeria.



These include: access to finance, access to licenses/permit, corruption, courts, crime/theft/disorder, customs & trade registration, electricity, inadequately educated workforce, labour regulations, political stability, practices informal sector, tax administration, tax rates and transportation. The responses of the firms have also been clearly analysed according to operational sizes (micro, small, medium, and large) as shown below.

Table 3: Critical Challenges Facing Businesses in Nigeria

Challenges of SMEs in Nigeria	Nigerian (%)	Small (%)	Medium (%)	Large (%)
Access to Finance	15.55	17.01	11.52	3.90
Access to Land	2.85	2.70	3.38	2.85
Licenses and Permit	0.57	0.58	0.60	0.00
Corruption	1.87	2.13	1.12	0.00
Courts	0.00	0.00	0.00	0.00
Crime, Thefts and Disorder	2.07	1.64	3.40	4.33
Customs & Trade Registration	1.31	1.09	2.23	0.00
Electricity	63.63	62.66	65.50	78.78
Inadequately educated work force	0.31	0.32	0.32	0.00
Labour Regulation	0.09	0.07	0.20	0.00
Political Instability	0.70	0.79	0.45	0.00
Practices Informal Sector	1.05	0.92	1.66	0.00
Tax administration	0.28	0.12	0.49	3.47
Tax Rates	2.24	2.11	2.70	2.49
Transportation	7.49	7.88	6.42	4.16

Source: Business Environment and Enterprise Performance Surveys (BEEPS)/World Bank, 2020

More importantly, a survey conducted by the Manufacturers Association of Nigeria (MAN) lends credence to BEEPS/World Bank 2017 survey. The recent MAN survey reveals that a total of 894 manufacturing companies closed down their operations in 2019. This is consequent upon the companies' inability to cope with the challenges high overhead cost and unfriendly business environment including insecurity (Punch, 2017, The Nation, 2018). The closed down of 894 companies in Nigeria was attributable to epileptic power supply, high cost of alternative sources of electricity and multiple taxes, which resulted in huge cost of doing business. The closure of these companies has further compounded the already bad state of unemployment in the nation (The Nations, 2018).

Typical taxes payable in Nigeria include: public convenience fee, sewage and refuse disposal fees, customary burial ground permit fees, religious places establishment permit fees, signboard and advertisement fees and radio, television license fees other than radio and television transmitter (Daily Telegraph, 2018). The total figures of 894 closed down companies represent the cumulative aggregate of firms that shut down their operations beyond 2019 across the country. The geographical breakdown of companies during the period is as follows: 176 firms collapsed in the Northern zone covering the Kano and Kaduna states" manufacturing axis; 178 companies closed down in the south-east zone; 46 companies shut down operations in the south - south zone consisting of Rivers, Cross River and Akwa Ibom states; 225 companies closed down in the south-



west area, which comprises Oyo, Ogun, Osun, Ondo, Ekiti, Kogi and Kwara states; and 274 manufacturing firms closed down in Lagos zone covering Ikeja, Apapa, Ikorodu and other industrial divisions in the „Centre of Excellence“.

5. CONCLUSION/RECOMMENDATIONS

Economic growth is the key to higher living standards. According to Onipede (2003), economic theory suggests several key institutions and policy factors that are important for the achievement of maximum economic growth. It is therefore recommended that the following institutions and policies be enhanced in order to make way for sustainable economic and entrepreneurship development in Nigeria:

1. There is the need for security of property right and political stability in the country. A volatile political, religious, and ethnic climate undermines security of property rights.
2. Stable money and prices are essential for development. A stable monetary environment provides the foundation for the efficient operation of a market economy. In contrast, monetary and price instability generate uncertainty and undermine the security of contracts.
3. The market and enabling environment must be competitive. In a competition, producers must woo consumers away from other suppliers. To do so, they must offer quality and cheaper alternatives. Sellers who cannot provide quality products at competitive prices have no place in a competitive market economy and thus would be driven from the market (Gwartney et al., 1999).
4. There must be in place policy and regulations that guarantee freedom of trade, within or without. Trade is very important for growth and prosperity. When the citizens are allowed unfettered right albeit within the permissible confines of the law to buy from suppliers offering the best deal and sell to purchasers willing to pay the most attractive prices, this way, they would be able to concentrate on the things they do well, while trading for those they do poorly (Gwartney et al., 1999).. Theoretically Nigeria is an open economy, which is on the face value; however, the opposite is the reality as there are many legal barriers in place, which make free trade next to impossible. These barriers should, as a matter of utmost importance be reviewed and where possible, expunged totally (Onipede, 2003).
5. Information communication technology (ICT) must be optimally utilised. ICT is a term that encompasses all forms of technology used to create, store, exchange and use information in its various forms (Business Data, Voice, Conversation, still images, Motion Pictures, Multimedia presentations and other forms, including those not yet conceived). It is the technology that is driving–„information revolution“. It is an enabler as e- Business eCommerce and e- Service
6. Right-sizing of government. Government can meaningfully enhance economic growth by providing an infrastructure for the smooth operation of markets. A legal system that provides price stability is the central elements in this area (Gartney et al., 1999). However, a government that grows too large as the case is in Nigeria, retards economic growth in a number of ways. First, as government grows, relative to the market sector, the returns to government activities diminish. The larger the government, the greater is its involvement in activities it does poorly. Second, more government means higher taxes, as the government fails to provide basic essential infrastructures for a better standard of living of its citizens. However, as taxes take more earnings from citizens, the incentive to



invest declines. Third, compared to the market sector, government is less innovative and Less responsive to change (Onipede, 2003). Innovation is one of the major ways of creating job for people in Nigeria.

7. The government at all level must provide adequate security that will guarantee safety of life and property. No serious investors will invest in a highly, volatile and unpredictable environment like Nigeria. Business organisation needs protection as this is antidotes to economic growth.

Most of the researches from educational and research institutions in developed countries are to solve problems of industries. This is done by Partnership among the elements in the national innovation system (NIS). The major elements in the national innovation system are: Educational Institution: This is to generate knowledge-economy. Research and development Institution: generates research results for technology adaptation, and for commercial purposes. Firms and Industries Institution: the commercialisation of the industrial products. Government and financial institution: are to give incentive and fund the other elements. Development of entrepreneurial skills married with excellent knowledge of information and communication technology (ICT) as additional key to technological and entrepreneurial development is important.

Nigeria's vision of achieving sustainable economic growth and social development will remain unrealised if the nation's infrastructural needs and adequate security are not addressed. The provision of infrastructure such as power, transport and water are vital. Without adequate, cheap, constant and reliable electric power supply, no technological development will be successively achieved. New innovation is lacking in Nigeria, most entrepreneurs prefer to import goods and package for sales because of high cost of production. In order to reverse this trend, it is pertinent that government gives priority to capacity building for technological innovation, good infrastructure and provide environment conducive for business that will lead to sustainable economic growth. Additionally, since entrepreneurs are vital to economic growth, policy makers should strive to encourage the innovation and risk taking of entrepreneurs.

Enforcing property rights through contract, patent, and copyright laws; encouraging competition through free trade, deregulation and antitrust legislation and promoting a healthy economic climate. Any country that lacks capacity for production of goods will become a consuming nation instead of an industrial nation. Finally, the Nigerian government needs to shift from over-dependence on oil and place more attention on the development of small & medium sized enterprises for sustainable economic growth in Nigeria. Economic prosperity in Nigeria, as in the rest of the world, depends on strong and empowered private sector to lead MSEs to a higher level of growth which would significantly contribute to the country's economic well-being.



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