

# **N**IGERIA PERSPECTIVES ON THE ROLE OF ENTREPRENEURSHIP IN ACHIEVING SUSTAINABLE ECONOMIC DEVELOPMENT

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## **ABSTRACT**

*The paper examined Nigeria perspectives on role of entrepreneurship in achieving sustainable economic development. It grasps entrepreneurship as panacea towards achieving sustainable economic development in Nigeria. The objective of the paper was to determine whether entrepreneurship can lead to sustainable economic development in Nigeria. The study builds on existing literatures on sustainable development and entrepreneurship as base for the study, it employs both theoretical and empirical literatures with the aid of secondary data. Findings reveal that entrepreneurship, if given needed attention by the government, sustainable economic development will be achieved in the country in no distant time. The paper concluded that*

## **Introduction:**

The role of entrepreneurship and or entrepreneurs in achieving sustainable development in Nigeria cannot be overemphasized. This is because no country can attain sustainable economic development without the effort of entrepreneurs and entrepreneurship. It is important to know that for Nigeria to achieve sustainable development at both the short and long run, entrepreneurs must be on ground to move the economy forward. The experiences of developed countries in terms of the role

*entrepreneurship is essential for rapid and sustained economic growth and sustainable development in the country. It therefore recommends that Nigerians should exploit the various economic opportunities in the economy to their advantage, government and other institutions should also channel their effort towards building desirable entrepreneurship development practices and also create a favourable environment for entrepreneurship development which will be devoid of social insecurity that hampers foreign and domestic investment, and adequate infrastructural facilities be put in place.*

**Keywords:** *Entrepreneurship, Economy, Nigeria, Sustainable Development, Entrepreneurship Development*

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played by entrepreneurship have further strengthened the fact that entrepreneurship cannot be ignored if a country is to move forward. Adejumo (2010) and Kenedy (2019). Iyigun (2018) posited that the entrepreneurs' social initiatives can have great impact not only on themselves but also on the local society in terms of sustainable development.

Moreso, entrepreneurship contributes to economic growth and development owing to the fact that entrepreneurial activities have been found of capable of making positive impacts on the economy of a country and the quality of life of the people. It is noted that Nigeria is a country that is richly blessed with abundant human and natural resources and if these resources are effectively and efficiently utilized, the economy of the country will take a new shape from being a developing nation to a developed nation.

Luke (2017) and Iyigun (2018) defined development as eliminating poverty, unemployment and inequality. Sustainability is associated with satisfying a national economy's needs for natural resources without compromising generations. Agbeze (2017) and Anyadike, Emeh, and Ukah, (2017) presented that entrepreneurship has developed immensely in Nigeria in the following areas. Agriculture/Agro-allied activities, we have

restaurant, fast food vending etc.; In solid minerals, we have quarrying, mining etc; in transport we have haulage business (cargo and passengers); in information and telecom business, we have GSM repairs, printing and selling of recharge cards; in hospitality, we have hotels, accommodation to mention but a few. Despite the above, Nigeria is still one of the poorest countries in the world, and has one of the highest rate of youth unemployment in Sub-Sahara Africa.

Along this line, it is also noted that despite the awareness of the significance of entrepreneurship towards sustainable development in Nigeria, Nigeria government has not given satisfactory commitment to entrepreneurship development in the country. It is also important to know that almost every regime that came up in Nigeria introduces one programme or the other for developing entrepreneurship but sooner or later the idea collapsed. This is because some of these programmes were not backed up with effective implementation mechanism.

The objective of this paper is to examine the Nigeria perspectives on the role of entrepreneurship in achieving sustainable economic development.

### **THE CONCEPT OF ENTREPRENEURSHIP**

Anyadike et.al (2017) opined that entrepreneurship is more than simply starting a business. It is a process through which individuals identify opportunities, allocate resources, and create value. This creation of value is often through the identification of opportunities for change. With this perspective, Habbershon et.al (2016) and Rocha (2012) defined entrepreneurship as the creation of new enterprising activities such as innovation, new ventures and strategic renewal leading to social and economic performance within companies.

According to Meadows et.al (1992) and Allam et.al (2010), a sustainable society is one that can persist over generations, one that is far-seeing enough, flexible enough, and wise enough not to undermine either its physical or its social systems of support.

Dickson et.al (2013) and Ossai et.al (2017) argued that entrepreneurship has been recognized as an important aspect of an organization and

economy, this is because it contributes in an immeasurable ways towards creating new jobs, wealth creation, poverty reduction and income generation for both government and individuals which results to sustainable economic development of the nation.

Webber (1930) reported that entrepreneurship appears to be appreciated during economic depression hence, much talk about it. Toluhi and Daikwo (2014) argued that entrepreneurship is a purposeful activity which an individual or group of association undertake to initiate and maintain a profit oriented business unit for the purpose of production and contribution of economic goods and services. Nwafor (2013) lamented that entrepreneurship is the right and ability to set one's own goals and realizing them as much as possible through one's own efforts.

Adidu and Olanye (2012) submitted that entrepreneurship is concerned with the persistent pursuit of opportunities to create wealth through innovative creation of products or services that meet customers' needs using scarce resources in a way that results in growing enterprise which satisfies the business. Idih (1999) also stated that entrepreneurship occurs when an individual develops a new venture, a new approach to an old business or idea or a unique way of giving the market place a product or service by using resources in a way under condition of risk. UNDP (2009) and Kennedy (2014) defined entrepreneurship as the process of using private initiatives to transform a business concept into a new venture or to grow and diversify an existing venture or enterprise with high growth potential.

In the light of the aforementioned, it suffices to state clearly that no country or economy can achieve sustainable economic development without the active involvement of entrepreneurship/ entrepreneurs at both the short and long run.

Hall et.al (2015) stated that entrepreneurship is increasingly being cited as a significant conduit for bringing about a transformation to sustainable products and processes. Sustainable entrepreneurs embody greater consideration to not only transform either sustainable products and or

processes, they create profitable enterprises while achieving specific environmental or society objectives.

Crals and Vereeck (2011) defined sustainable entrepreneurship as the continuing commitment by business to behave ethically and contribute to economic development, while improving the quality of life of the workforce, their families, local communities, the society and the world at large, as well as future generation. Sustainable entrepreneurs are for profit entrepreneurs that commit business operations towards the objective goal of achieving sustainability.

### **WHO IS AN ENTREPRENEUR?**

According to Akpanenua and Agada (2006) and Joseph et.al (2019) an entrepreneur is a “person, natural or legal who is usually identified with creativity, innovation, foresight, will power, self-reliant, risk taking, drive, reconciliation, marketing and management”. He employs these characteristics to create wealth and stimulates growth. He utilizes his foresightedness to identify a business opportunity well ahead of others. He involves his management characteristics to strategize in order to capitalize on, and maximize emerging opportunities. He applies his reconciliatory skills to harmonize and streamline his business vision, mission and policies in adaptive responds to the dictates of the external business environment. He employs his creativity to bring about new products into the market and applies marketing skills to create an exchange economy for his products. Osuala (2004) on his own part observed that an entrepreneur is a person that is determined to be self-employed instead of depending on a paid job, to take risk of losing or succeeding in business, to combine other factors of production to finance his business alone, to identify new business opportunities and to be creative and innovative.

Collins et.al (1964) in Hassan (2013) described an entrepreneur as a risk taker – a person who braves uncertainty, strikes out on his own through native wit, devotion to duty and singleness of purpose somehow creates an industry where none existed before.

## SUSTAINABLE DEVELOPMENT

According to UN Brundtland Report (1987), sustainable development could be defined as the development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Schaltegger and Wagner (2007) submitted that sustainable entrepreneurship is a concept that combines both sustainability and entrepreneurship, and has been defined as “an innovative, market oriented and personality driven form of value creation by environmentally or social beneficial innovations and products exceeding the start-up phase of a company”.

Godwin et.al (1995) cited in Choi and Gray (2008) opined that sustainability has become a multidimensional concept that extends beyond environmental protection to economic development and social equity. Shepherd and Patzelt (2010) argued that changes will come from entrepreneurs that introduce sustainable products, processes and services that will sustain the nature, the sources of life support and communities.

In the light of the above statement, it is important to note here that sustainability and entrepreneurship are conjoined twins that cannot be separated, therefore adequate effort must be put in place to sustain them towards economic growth and sustainable development of the country.

Herman (2012) presented that the overall objective of sustainable development is to find an optimal interaction of economic, human, environmental and technological systems. Countries, organizations, institutions worldwide have committed towards its goals, incorporating share principles, objectives and instrument. Seen as a mosaic reality, the subject is of great importance as society is still searching for the right solution leading to sustainable development. Regardless of its approach (local, regional, national or global), a wide range of instrument is needed in transforming goals, objectives and principles into concrete actions, behaviours and attitudes. Schumpeter (1934 and 1942) in Mihaela (2012) argued that entrepreneurship has long being recognized as a vehicle for societal transformation, especially as an economy moves from one technological epoch to another. Stefanescu et.al (2011) and Mihaela (2012)

submitted that both entrepreneurship and sustainable development are considered solutions to assure the future development of the entire society. In the light of the above statement government should wake up from their slumber and take the issue of entrepreneurship more serious in order to guarantee sustainable development of the country.

### **MEANING OF DEVELOPMENT**

Abianga (2010), in Kennedy (2014), defined development as the act or process of growth, progress and improvement within a physical setting. Hornby (2006) similarly defined development as the gradual growth of something so that it becomes more advanced and stronger.

Kennedy (2014) argued that development refers to technological improvement, effective cost reduction, general welfare improved relations movement in a positive direction. In a similarly vein, Soba (2005) opined that economic development is related to economic growth which is a rise in the level of output or an increase in the per capital income of a country in a given period of time. Nonetheless, economic development encompasses growth as it is an umbrella term which includes sustained economic growth as well as noticeable improvement in the socio-political life and living standard of the citizens.

UNDP (2009) and Kennedy (2014) defined entrepreneurship development as referring to the process of enhancing entrepreneurial skills and knowledge through structural training and institution building programmes. According to UNDP, entrepreneurship development aims to enlarge the base of entrepreneurs in order to hasten the pace at which new ventures are created.

### **ENTREPRENEURSHIP AND SUSTAINABLE DEVELOPMENT IN NIGERIA**

It has earlier been said in the paper and several similar research papers that entrepreneurship/ entrepreneurs are drivers of the economy towards sustainable development at both the short and long run. The role of entrepreneurs in sustainable development of a nation cannot be overemphasized, this is because it increases per capital output and income,

initiating change in the structure of business and society which translate to growth, increase output and sustainable development of the nation. It is important to note at this point that entrepreneur as a distinct factor of production contributes to the sustainable development of an economy which translates, to better standard of living of the citizens.

According to World Bank (1999) the balance between knowledge and other resources has shifted so far towards the former that knowledge has become the most important factor determining the standard of living more than land, than tools, than labour. This implies that people should seek for knowledge and embrace entrepreneurship as this is the only lasting solution towards sustainable development of any nation especially Nigeria.

### **PROBLEMS OF ENTREPRENEURS IN NIGERIA**

Olagunju (2010), and Joseph et.al (2019) indentifies seven major problems militating against entrepreneurship development in Nigeria. These include:

1. Lack of trust by Nigerians. He noted that many Nigerians do not believe and trust the ability and capacity of our entrepreneurs. There is this common belief that whatever is made in Nigeria is inferior to that made from abroad.
2. Lack of Education by many entrepreneurs is another problem facing indigenous entrepreneurship. Olagunju (2010), believes that many of the entrepreneurs are illiterates or with little education and this makes it difficult for them to grasp the rudimentary methods necessary to manage modern enterprise successfully.
3. The dire shortage and inadequacy of infrastructural facilities in Nigeria is another major obstacle in entrepreneurial development.
4. The problem of corruption that has remained a cankerworm has continued to be a big obstacle to honest business transactions. Most especially when an entrepreneur has to deal with government officials; he has to rub their palms. This, no doubt adds to the cost of doing business.



5. The political instability which brings about frequent changes in government policies has also constituted a big problem to the development of entrepreneurship in Nigeria.
6. Unguided and unrestricted importation of goods into the country engineered by people's insatiable demand for foreign goods has crippled many enterprises in Nigeria. This has discouraged many entrepreneurs from investing in manufacturing businesses.
7. Security situation caused by ethno-religious and political crises have also not helped entrepreneurship development.

In a similar view, Okeke and Eme (2014), presented that Nigeria, Africa's most populous country, has experiences several economic hardships. As a result of this ugly situation, poverty has been running unchecked, job opportunities have vanished, and Nigeria's prosperity has dwindled considerably. Many entrepreneurs have the initiative to start new ventures, but lack the skills, tools, and support to succeed. Corruption, economic instability, and a lack of infrastructure and management capacity have also combined to stifle new business growth.

In the same view, Ann (2012), Obitayo (2001), Fabunmi (2004) and Nnanna (2001) argued that entrepreneurs are faced with enormous problem, which among others includes:-

- a. Inadequate, inefficient and at times, non-functional infrastructural facilities which tend to escalate the cost of operation.
- b. Bureaucratic bottlenecks and inefficiency in the administration of incentives and support facilities provided by the government.
- c. Lack of easy access to funding/credits, which can be traceable to the reluctance of banks to extend credit to them.
- d. High cost of packaging appropriate business proposals.
- e. Uneven competition arising from import tariffs, which at times favours imported finished products.
- f. Lack of access to appropriate technology as well as near absence of research and development.

- g. High dependence on imported raw materials with the attendant high foreign exchange cost and scarcity at times.
- h. Weakness in organization, marketing, information usage processing and retrieval, personnel management, accounting records and processing.

## **CONCLUSION**

With a critical examination of the state of Nigeria economy presently, it would be emphasized that Nigeria is far from sustainable development. The Nigeria economy is stricken with high rate of graduate unemployment, industrial development has virtually crumbled leading to unsteady growth of the economy and decline in sustainable development. It is important to note that entrepreneurship development leads to job creation for Nigeria youths and stimulating economic growth and sustainable development. Entrepreneurship development has proved to be a viable tool for economy and sustainable development, therefore government and other institutions should channel their efforts towards meaningful development of entrepreneurship practices.

Entrepreneurship development is the bedrock for sustainable development of the nation because it leads to job creation, economic development, economic sustainability, individual self-reliance, improve standard of living to mention but a few, all the above translate to sustainable development of a nation. For a proper and sustainable economic entrepreneurship development to translate into sustainable economic development, the government at all tiers should provide the enabling environment for activities of entrepreneurs to strive, i.e. provision of infrastructures, enacting and formulating of laws and policies that will aid entrepreneurship development in the nation.

## **RECOMMENDATION**

On the basis of the above findings, the following recommendations are put forward:

1. The Federal Government should review and implement the recommendations of the various articles, academic papers and journals of entrepreneurship development towards sustainable economic development of the country.
2. Adequate funds to be set aside by both public and private sectors to assist graduates with entrepreneurial skills to set up their own enterprises.
3. Government at all levels should set aside funds that will sincerely be disbursed to entrepreneurs as soft loan in order to encourage them.
4. The Federal Government of Nigeria should provide enabling environment conducive for the smooth operation of both indigenous entrepreneurs and foreign investors to boost the economy.
5. Adequate infrastructural facilities like electricity, road etc should be put in place for entrepreneurial activities to strive effectively.
6. Entrepreneurship development programmed in the Higher Institution of learning in Nigeria should be properly designed towards making graduates skillful in a particular trade.
7. Government at all levels should postulate good policies to reduce the problems of entrepreneurship.

The above recommendations if properly implemented, sustainable economic development in Nigeria will be achieved in no distant time.

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