
Fostering Economic Growth and Development in Nigerian Economy through Entrepreneurship and Entrepreneurial Education

Chukwu Doris Chinwe

Administration and Planning Department College of Education, Michael Okpara University of Agriculture Umudike | E-mail: dorischukwu555@gmail.com

Abstract: *Entrepreneurship which is basically the practice of starting a business in order to earn profit on new found opportunities, can go a long way to stabilize the economy of a nation as well as generate massive returns to the government can have impact on the economy of a country in diverse ways. This paper discusses the current development of principles and practice of entrepreneurship in Nigeria. It also examines the effect of entrepreneurship and entrepreneurship education in fostering economic growth and development. It also ex-ray the issue an entrepreneurship and entrepreneur Education in Nigeria. The methodology adopted was narrative, however, interview was conducted, we used simple percentage, graph and chats in analysing and interpreting the collected secondary data. The researcher found out that Nigerian's economy his continued to grow over the last decades with the real GDP growth rate hovering around 7%. It was found that entrepreneurship can enhance economic growth and development primarily by generating employment and foster the growth of micro, small and medium enterprises in Nigerians. We recommend that there should be proper policy coordinating and policy stability, reforms in educational curriculum to prepare students for self-reliance, and fixing the power sector-Nigerian's basic infrastructure when we have flourishing micro, small and medium enterprises (MEMEs) gainful employment will be created, wealth created will be distributed evenly and economy will developed.*

Keywords: *Economic Growth, Nigerian Economy, entrepreneurial education*

INTRODUCTION

Nigeria is a middle income mixed economy and emerging market with expanding manufacturing financial, service, communications, technology and entertainment sectors. It is ranked as the 21 largest economy in the world in terms of norming GDP and the 20 largest in terms of purchasing power parity. It is the largest economy in Africa re-emergent manufacturing sector and produces a large proportion of goods and services for the West African sub continent. Previously hindered by years of mismanagement economic reforms of the past decades have put Nigeria back to track towards achieving its full economic potentials. The petroleum industry in Nigeria is the largest in the African continent. Although the petroleum sector is important, there is need to diversity Nigeria economy through non-oil producing sector. After many glorious years of enjoying the benefits of a robust and high crude oil price, the Nigeria economy is currently teetering on the edge of depression mainly due to faulty planning and the short-sightedness of the country's leadership. Nigerian's surest economic woes were primarily kick-started by the petroleum sector which was and is still the major source of foreign exchange earnings for the country and a major driver of the economy. This is in agreement with an assertion which says "it is not good to put one's eggs in one basket" though Nigeria expert agricultural and industrial products, it is not in sufficient quantity to sustain growth and development in the economy as

poverty is still predominant in the economy. Nigeria as a nation is blessed with a lot of mineral resources (both soled and crude oil), agriculture crop lands and human resources which need to be effectively and sustainable development. In line with this view, Olorunmolu (2005) stated that Nigeria as one of the developing countries has a lot of business and investment potentials due to the abundant and dynamic human and natural resources. The being naturally blessed by these natural mineral and resources, there is need to advocate for resource persons that be able to utilize their resources effectively and efficiently. This paper therefore focuses on “fostering growth and development in Nigerian's economy through entrepreneurship and entrepreneurship education.

The Concept of Entrepreneurship

The word entrepreneurship was first used by an Irish man who lived in France in the early 18 century. It is a French word which means being innovative in modern industrial business leadership (Anugwom 2007). According to Ikiara (1994), entrepreneurship implies “a willingness to take investment initiatives and risk and to sustain dynamic process of business enterprise through innovative utilization and management of available resources. Among the four factors of production, land, labour, capital and entrepreneurship. entrepreneurship is regarded as the most important factor because it is the most active factor since it is the factor that can mobilize and organize other factors of production. Thus, without the entrepreneur. Other factors of production may remain either idle or unutilized, misutilized and mis-managed. The entrepreneur is regards as an indispensable agent especially in the development of commercial and industrial activities.

The Concept of Entrepreneurial Education

Entrepreneurial education is a vital key for enhancing economic growth and sustainable development in any nation and such growth and development highly depends on the type and level of education received by her citizens. Thus human capital forms a major determinant of this growth and development. However, the economy and living standards of a country cannot improve without effective or functional education. Entrepreneurship education is regarded as one of such functional education that is needed at all levels of schooling to improve the Nigeria economy. Entrepreneurship education as a course was introduced in Nigeria colleges of education in 2002. The course “offered in the school of vocational and technical education in colleges of education”. Its purpose is to enable students establish successfully after graduation instead of staying without jobs or waiting for government jobs.

The Concept of Economic Growth

Economic growth is a process of transformation which involvement quantitative measure of the goods and services produced by an economy over a period. Wikipedia (2014) defines economy growth as; the increase in the market value of the goods and services produced by an economy over time. It is conventionally measured as the percentage rate of increase in real gross domestic product (GDP). Therefore, economic growth implies and increase in the real output of goods and services produced by a country. Economic growth is also defined by Business Dictionary (2014) as an increase in a country's productive capacity as measure by comparing gross national products (GNP) in a year with the GNP in the previous year.

The Concept of Economic Development

Economic development is fundamentally about enhancing the factors of productive capacity, land, labor, capital and technology of a national, state or local economy (Amirazodi, 1998). Economic development is also defined by Gibson (2009) as progress in an economic or the qualitative measure of this. Economic development usually refers to the adoption of new technologies transition from agriculture-based to industry-based economy, and general improvement in living standards. According to Wikipedia (2011), economic development is an increase in the standard of living in a nations population with sustained growth from a simple, low income economy to a modern, high-income economy. According to CBN (2000), economic development implied increased output, greater efficiency in output generation and changes in the technical and institutional arrangements by which it is produced and distributed. Economic development involves a steady decline in agricultural shares in GNP and continuous increase in shares of industries, trade, banking, construction and service (Economics for Development). In the words of Amirazodi, (1998); development entails the enrichment of materials, social well-being which can be measured in the flow of money and goods over time increase in a jurisdiction's quality and quality of public goods (such as clean air and water, freedom from crime, better schools etc.); and access to good jobs (e.g. with wages and benefits sufficient for supporting a family and opportunities for advancement).

Kinds of Entrepreneurs Obtainable in a Society

Different kinds of entrepreneurs can be identified in an economy and many of these are needed in Nigeria to assist the economy to grow, Olufisayo (2010) and Grapevine Consulting Ltd (2015) stated the following possible types of entrepreneurs and their characteristics stated below:

Inventors/Innovative Entrepreneurs

Inventors are entrepreneurs who possess peculiar inventive ideas and abilities to design a new or better product who may create factories or companies which develop, produce and sell the item so invented. In other words, Innovative entrepreneurs are those that have the ability to think newer, better and more economical ideas of business organization and management. They are the business leaders and contributors to the economic development of a country. For instance high-technology companies like ICT based companies area new trend in Nigeria today.

Self –Employed

These are individuals, households or group of individual who perform all the work and own all the profits. This type included every economic activity from family-run stores, repair persons, engineers, agents, to accountants, lawyers, physicians and teachers which can be a part-time in case where one is a civil servant or a full-time job where the individuals concerned have no other jobs besides this particular work.

Franchisee

A Franchisee is an individual who starts a business for which the product has goodwill or a widely known product image has already been established. The franchisee usually owns the business and assumes its operating responsibilities subject to the standard or specification set by the franchisor i.e the original entrepreneur.

Acquirers

Entrepreneurs who take over a business started by somebody else and then use their own ideas to become successful in the same line of business are known as acquirers. The take-over often occurs when there is a financial difficulty in the former operation which requires fresh management ideas that may save the business from collapsing.

Imitating Entrepreneurs

These are people who follow the path shown by innovative entrepreneurs and they become imitators because the environment in which they operate is such that it does not allow them to have creative and innovative ideas of their own. This kind of entrepreneurs are found in countries and situations marked with weak industrial and institutional base which create difficulties in imitating innovative ideas. In most countries, many of them exist in every field of business activity and such entrepreneurs fulfill their need for achievement by simply imitating the ideas introduced by inventors.

Buy and Sell Entrepreneurs

This type of entrepreneurs consists of those persons who buy a business or company for the purpose of improving it in order to resell it for greater gains.

Internal Entrepreneurs (Intra-preneurs)

Intra-preneurs are those who create new ideas and turn them into a successful project within an existing business or company. Although such individuals have neither the profit nor the personal financial risk of their own business, they are still involved in an economic activity and need to use the same techniques or methods of operation as entrepreneurs.

Speculators

According to Reddy (2010), a speculator is one who attempts to anticipate price changes and, through buying and selling contracts, aims to make profits. In another way, speculators are those businessmen and women who purchase a commodity when they expect future price rises in such commodity and resell it when its price increases. Examples of speculative items of trade include agriculture crops, antiques, art work and landed property like houses and plants.

Opportunist Entrepreneurs

The entrepreneurs here consist of people who start business and expand as fast as possible in order to be able to employ others. Usually these additional employers possess the necessary experiences and expertise required for the job which the individual does not have.

Social Entrepreneurs

This type of entrepreneurs drives social innovation and transformation in various fields including human rights, employees' rights, the health and education sectors, environmental and enterprises development. More often than not, they undertake poverty alleviation projects with entrepreneurial zeal, business practice and dare to overcome traditional practices and to invent new products.

The Effects of Entrepreneurial Activities in an Economy

Entrepreneurs occupy a central position in the market economy. For it's the entrepreneurs who

serve as the spark plug in the economy's engine, activating and stimulating all economic activity (Tracy, 2005). She stated further that; entrepreneurs are unique because they are capable of bringing together the money, raw materials, manufacturing facilities, skilled labour and land or building required to produce a product or service. And they are capable of arranging the marketing, sales and distribution of that product or service. And they are capable of arranging the marketing, sales and distribution of that product or service, Kuma(2011) gave the major roles played by an entrepreneur in the economic development of a nation as discussed below:

Promotes Capital Formation

Entrepreneurs promote capital formation by mobilizing the idle savings of the public. They employ their own as well as borrowed resources for setting up their enterprises. Such type of entrepreneurial activities leads to value addition and creation of wealth which is very essential for the industrial and economic development of country.

Creates Large-scale Employment and Opportunities

Most economists agree that entrepreneurship is a necessary ingredient for stimulating economic growth and employment opportunities in all societies. In the developing world, successful small businesses are the primary engines of job creation, income growth and poverty reduction (Grapevine Consulting Ltd 2015). Entrepreneurs provide immediate large-scale employment to the unemployed which is a chronic problem of under developed nations. With the setting up of more and more units by entrepreneurs, both on small and large-scale, numerous job opportunities are created for other. In this way, entrepreneurs play an effective role in reducing the problem of unemployment in the country which in turn clears the path towards economic development of the nation.

Promotes balance Regional Development

Entrepreneurs help to remove regional disparities through setting up of industries in less developed and backward areas. The growth of industries and businesses in these areas lead to a large number of public benefits like road transport, health education, entertainment, etc. This in turn contributes to the development of rural and less developed areas thereby promoting balance regional development.

Promote country's Export Trade

Entrepreneurs help in promoting a country's export trade, which is an important ingredient of economic development. They produce goods and service in large scale for the purpose of earning huge amount of foreign exchange from export in order to combat the import dues requirement.

Facilitate Overall Development

Entrepreneurs act as catalytic agent for change which results in chain reaction. Once an enterprise is established, the process of industrialization is set in motion. This unity will generate demand for various types of Units, required by its and there will be so many other units which require the output of this unit. This lead to overall development of an area due to increase in demand and setting up of more and more unit. In this way, the entrepreneurs multiply their entrepreneurial activities, thus creating an environment of enthusiasm and conveying an impetus for overall development of the area.

Conclusion/Recommendations

Economic development essentially means a process of upward change in an economy which implies greater efficiency in output generation; transition from agriculture-base to industry-base economy and general improvement in living standards. The impact of entrepreneurship education in enhancing economic growth and sustainable development can be summarized in the words of Urom et-al (2010) thus: it is through entrepreneurship that one can acquire wealth, generate self-employment, maximize profit and redistribute wealth to the society in form of investments. An entrepreneur makes individuals, the society and the nation to prosper. some of the problems faced by Nigerians entrepreneurs include insecurity, unfavorable economic environment and low demand for products among others. The chapter borrows a leaf from Tracy (2005) who submitted that entrepreneurs are a national treasure, and should be protected, nourished, encouraged and rewarded, as much as possible. In conclusion therefore, to promote entrepreneurial activities in Nigeria, there is a great need for creating a strong link between micro, small and medium enterprises (MSMES) and supporting institutions e.g. Mirco-fiancne banks for Nigeria to fully benefits from such businesses. To reduce some of the problems faced by entrepreneurs in Nigeria, the following recommendations are made:

- ❖ Our government should put on more efforts towards creating a conducive atmosphere for businesses to thrive well and drive the country towards economic growth and sustainable development.
- ❖ Entrepreneurs should strive to understand the concept of wealth creation. According to Akilu and Garba (2010), wealth creation is the ability to ensure that your asset column keeps on generating cash over and above the cost incurred through contracting liabilities. They advised that the trained entrepreneur should learn how to use his retained earnings to purchase more assets that will yield more money to him.
- ❖ All hand must be on deck to improve national security by stopping injustice and war in the Niger-Delta areas, and the mass killing and destruction of live and properties in northern Nigerian by Boko-haram
- ❖ All Nigerian students at all level should embrace entrepreneurship education as s welcome development in the educational sector.
- ❖ They should be more funding from government and nongovernmental organizations. Wealthy individuals should also be willing to support entrepreneurial activities in their communities.
- ❖ Recent maro-economic policies such as needs and vision 2020 which have been abandoned, should be re-embarked upon; and vigorously pursued by the present and subsequent administrations until full realization of objectives.

REFERENCES

- Agi, U.K (2012) Self-RELIANCE AND EMPLOYMENT. The imperative of entrepreneurship education. *Journal of Resourcefulness and Distinction (Joresis)* Vol. 1No. 1 July, 2012.
- Anugwom, G. A (2007) *Entrepreneurship in Nigeria*; Rhyee Kerex publishers, moor house Ogui Enugu, Nigeria.
- Akanbi, A.A (2007), *Nigerian entrepreneurs companion*, Bolade Nigeria Enterprises.
- Akilu A.R and Garba, EY, (2010) Development appropriate entrepreneurial skills for personel economic empowerment and national development, *International Journal of Educational*

Studies vol.1. No.2

Business Dictionary (2014), What is economic growth? Definition and meaning online <http://www.businessdictionary.com/definition...> the Retrieved ON 16 April, 2014.

Apagu, O. and Ekpot. T. (2015) Entrepreneurship education in Nigeria; challenges and prospectus.