

ENTREPRENEURIAL STUDIES IN NIGERIA: DEPTHS, TRENDS AND CHALLENGES

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ABSTRACT

All economic advancements the world over is orchestrated by entrepreneurial learning, research and development. Consequently, the paper examines entrepreneurial studies, depths, trends and challenges in Nigeria. The paper conceptualizes entrepreneurship as anchored on generating ideas that are applicable, economic and commercial in nature in the entire gamut of human endeavor. It traces the entrepreneurial trends in Nigeria since its amalgamation, describes the role of the Nigerian government as a participant, regulator and facilitator, both legally and politically in the development of entrepreneurship studies and practice. The paper identifies lack of political will to implement national economic development policies, corruption and lack of team work among other variables as the major challenges of entrepreneurship development in Nigeria. The analytical tool adopted for this paper is descriptive method which centered on analyzing the different entrepreneurship policies of the government and drawing inferences from them. The paper concludes that entrepreneurship development in Nigeria could be facilitated if government and her agencies muster the will power to implement articulated national economic policies

Key words: entrepreneurship, ideation, investment ideas, self-reliance, investment opportunities

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1. INTRODUCTION

Entrepreneurial developments and studies in Nigeria have grown into interesting and fascinating field of study since Nigeria joined the league of democratic nations. During the colonial era Nigerian educational system focused on reading, writing and administrative perspectives. The students of the colonial educational system graduated with their mind-sets focused on what the government has to offer to them. Consequently, Nigerian economy over years increased at a decreasing rate because it lacked creative and innovative approaches to economic development making Nigeria to trail behind other developing nations of the world in spite of its natural endowments of arable land, crude oil and other mineral deposits.

The current educational system in Nigeria stands on a tripod (1) arousing the interests of students, creating their passion for self reliance and inculcating in them the willingness and skills to identify, evaluate and exploit business opportunities that are abound in the Nigerian business landscape (2) developing students who are able to manage new or transformed firms so as to facilitate the production and consumption of new goods and services as well as place such firms on competitive edge and (3) sending to the society entrepreneurial minded graduates who are able to create novel economic and social ideas which may lead to the formation of new firms, production of new products and services and as well engage in social network activities .

The objective of this paper, therefore, is to analyze the depths, trends and challenges of entrepreneurial studies in the Nigerian nation-state.

2. Concept of Entrepreneurship

Entrepreneurship is anchored on ideation; applicable ideas. It is all about generating ideas that are applicable, economic and commercial in nature in the entire gamut of human endeavor. Sound ideas that positively propel the economic, political and socio-cultural development of communities, states and nations are the hallmark of entrepreneurship. Entrepreneurship is about generating ideas that are used in creating new firms, new jobs, new products, new markets, new services, new technologies and new relationships and/or modifying existing ones so as to enhance their value. Drucker (1970) and Knight (1967) take entrepreneurship to be creating new

values that did not previously exist; starting new organizations especially new businesses and creation of new wealth through implementation of new concepts.

Hisrich, Peters and Shepherd (2008) posit entrepreneurship as the process of creating something different with value by devoting the necessary time and effort, assuming the accompanying financial, psychological, and social risk, and receiving the resulting rewards of monetary and personal satisfaction. Nayab (2011) asserts that entrepreneurship is the creation of new economic entity centered on a novel product or service or, at the very least, one which differs significantly from the products or services offered elsewhere in the market. Ramachandran, Davarajan and Ray (2006) view entrepreneurship as the process of identifying an opportunity related to needs-satisfaction and converting it to a thing (product or service) of value. It can also be conceptualized to mean the processes and activities undertaken by entrepreneurs directed at capturing value associated with business opportunities.

Entrepreneurship is seen as a process driven by the desire to innovate; that is producing new things (goods and services; processes or approaches) or improving on existing ones; and profiting from it. Entrepreneurship is concerned with wealth creation through the creation of value rather than its manipulation. It involves the destruction of existing market structures by the creation of new markets (or reduction in market shares of current leaders) through improvement of existing products. Stevenson and Jarillo (1990) see entrepreneurship as the pursuit of opportunities without regard to resources currently controlled. As Agu (2010) explains “to be enterprising is to keep your eyes open and active”. It is to be skilled enough, confident enough, creative enough, and disciplined enough to seize opportunities that present themselves regardless of the economy.

Developments in entrepreneurship are sometimes seen as arising from three sources, namely; (a) from the contributions of the economic writers and thinkers on the role of the entrepreneur in economic development and the application of economic theory; (b) from the psychological trait approach on personality characteristics of the entrepreneur, and (c) from social behavioral approach which stresses the influence of social environment as well as personality trait. Which ever angle one looks at it entrepreneurship is a process through which values are created and wellbeing of mankind is enhanced and those who drive the process are called entrepreneurs.

Entrepreneurs are hardworking, focused and purposeful. Effective entrepreneurs are exceptional learners. They learn from everything. They learn from customers, suppliers and especially competitors. They learn by doing. They learn from what works and more importantly, from what doesn't work. To the entrepreneur every failure is a stepping stone to success. Crisis comes with latent opportunities which entrepreneurs are able to exploit. Entrepreneurs are persons rather than processes who are willing and are able to seek out investment opportunities in an environment, establish and run an enterprise successfully based on the identified opportunities. Okpara (2000) argues that: an entrepreneur is a human bulldozer, who can convert a stumbling stone. To an entrepreneur there is no mountain that is unmovable. He is a creative and aggressive innovator who promotes the necessary relationships required for the new business to come into existence. He is the person who identifies an investment opportunities to exploit, he promotes and establishes the business; he is the one who combines the scarce resources required for production and distribution; he organizes and manages the human and material resources for the attainment of enterprises' objectives; he is the risk bearer; he is the one who brings about improvement on the methods of doing things

To many people corporate managers are also entrepreneurs. However, it should be noted that many managers of corporate organizations carry out decisions made by the top echelon. These managers are not entrepreneurs because they do not have final control over the organization and they do not make decisions that involve risking the organization's resources.

In our conceptualization, attempts have been made to distinguish between entrepreneurship (process) and entrepreneur (person). Entrepreneurship as a process is not just about establishing a business or doing business; it is not just about making money; it is not about profiting from making contracts; it is not just about buying and selling; it is not just about short-changing others to make money; it is not just about portfolio carrying businessmen looking for contracts. It is about having sound ideas, the ability and willingness to take risks and to combine factors of production in order to produce goods and services that can satisfy human wants and create wealth. Some basic characteristics of entrepreneurs include: Ambition; Optimism; Achievement orientation; Independent mindedness; Goal orientation; Individualism; Future orientation; Self-confident; Open-mindedness and Tolerance for ambiguity.

3. Entrepreneurship Philosophies in Nigeria

Entrepreneurship philosophy is the reflective thought and consummate wisdom of how to create, operate and sustain innovative ventures. The wisdom may converge around entrepreneurship concepts, functions and practices e.g. Management by Objective (MBO), Total Quality Management (TQM), Just-In-Time (JIT), entrepreneurship schemes and so on. Entrepreneurship philosophy just like thought scopes through business development, elements of organic business functions and the elements of productivity. This suggests that the philosophy may be total (as in MBO and TQM) or partial, that is relating to an aspect of business e.g. Purchasing reciprocity, ABC analysis of inventory, transfer pricing, counter trade, development support (Anyanwu,2001).

All ethnic groups making up Nigeria such as the minority groups, Igbos, Yorubas, Hausas and Fulani have their own philosophical thoughts of business and management. Such thoughts cut across the processes of doings, behaviors, systems and contingencies. The thoughts are usually accepted by majority of the members of each community, transgressors are usually punished for violation of the general principles. In Nigeria, experts agree that such philosophical thoughts are preserved and transmitted via.

1. Wise sayings, proverbs, aphorisms, coded clauses and experiential narrations.
2. Religious beliefs, principles, doctrines and practices. 3.
- Fables of ancient stories and folklores, poems etc. 4.
- Reflective songs, powerful oration, incantations etc. 5.
- Nigeria mythology and memories of elderly people. 6.
- Shared-cultural values e.g. shared customs, shared sayings, taboos and superstitious.

Though the major source of knowledge for Nigerian people is observation and sense-experience, the entrepreneurial philosophical thoughts have been good platforms to develop genuine investment ideas that have helped sustain the development of entrepreneurship even in the face of global economic competitive advantage. Sound investment ideas and opportunities are embedded in religious beliefs, fables of ancient stories, reflective songs, and Nigerian mythologies and shared cultural values, the expression of which creates productive organizations.

4. Trends of Entrepreneurial Studies in Nigeria

Trend of entrepreneurial studies in Nigeria understandably deals with the growth and development process of entrepreneurship in Nigeria focusing on pre and post independence Nigeria. Prior to 1914 when Nigeria was amalgamated, the different ethnic groups were industrious as they pursued one economic ideology or the other; created one economic activity or the other. For instance the North embraced groundnut; the West was noted for cocoa and the South took to palm produce. Each acquired the technological know-how of mass production of their bias areas.

However, what actually could be seen as entrepreneurial development process in Nigeria could be viewed from the various economic developmental programmes of successive governments including:

(a) National Development Plans

The trend of Entrepreneurial studies in Nigeria, could be rightly traced from the country's various National Development Plans (NDP), for instance, the first National Development Plan [1962-1968], had only 13.3% budget expenditure incurred for the development of trade and industry [Entrepreneurship], second National Development Plan [1970-1974], was reduced to 17.3% for commerce and industrial development. The third National Development Plan [1975-1980] was also reduced to 14.5% on commerce and industry in the fourth National Development Plan [1981-1985] it was also reduce to 10.5% and the fifth one was aborted in 1986 and termed economic emergency program by President Ibrahim Babangida, but later replaced with Structural Adjustment Programme. To Nwangwu, (2007) the obvious implication is that all the NDP seemed to pay less attention to the development of trade and industry vis-à-vis entrepreneurship development.

[b] Structural Adjustment Programme [SAP], 1986

This was initiated by President Ibrahim Babangida. SAP had only three areas of interest with respect to entrepreneurship development and there are:

- [i] To restructure and diversify the productive base of the economy to reduce dependence on the oil sector.
- [ii] To reduce the dominance of unproductive investments in the public sector and to enhance the growth potential of private sector.

[iii] Adoption of measures to stimulate domestic production and broaden the supply base of the economy in order words, these key areas of the policy, of the SAP, were directed to enhancing the development and growth of entrepreneurship in Nigeria. Despite the laudable objectives of SAP, their implementations deviated significantly from the plan.

(c) VISION 20: 2020 FRAMEWORK

In 2006, President Obasanjo had a vision to encourage the growth of entrepreneurship in Nigeria.

The central message was globalizing information and communication technology and entrepreneurship in an effort to restructure the economy through the private sector participation in order to launch the country to be among the world top 20 economies in the next two decades. This drive was to spur entrepreneurs to embrace the spirit of entrepreneurship. Financial incentives were equally granted to them in the areas of cassava processing, alternative cassava bread production and cassava flour production.

(d) Establishment of Institutional Agencies

The government based and implemented programs could not achieve much especially as government observed that elsewhere private sector driven investment was the pillar for entrepreneurial activities. The government, therefore, established some agencies to complement the development of the entrepreneurial sector. It is on this background that agencies as: Small and Medium Enterprises Development Agency of Nigeria (SMEDAN 2000), Small and Medium Industries Equity Investment Scheme (SMIEIS, 2002), Nigeria Agricultural Cooperative and Rural Development Bank (NACRDB, 2000), National Directorate of Employment (NDE ,1986) and Industrial Training Fund (ITF, 1977) were established by the Federal Government of Nigeria to complement government's effort in the development of entrepreneurship in order to boost the overall economic development.

(e) Entrepreneurial Study Centers in Higher Education Institutions

The Nigerian Education Research Council empirically observed that the educational curriculum adopted over the years, cannot lead Nigeria far in her quest for industrialization and economic development, except the basic entrepreneurial studies are taught to all students irrespective of discipline and level. The observation of Nigerian Education Council made the Education Ministry through the National Universities Commission, National Board for Technical Education and National Commission on Colleges of Education to direct all

Universities, Polytechnics and Colleges to establish and run Entrepreneurship Development Centers and through the centers arouse and create passion for entrepreneurial activities in all students. The idea is to help students scan the environment, discover, nurture, transmute and develop sound ideas in the society's area of lack – a situation that will make them creators of job opportunities.

(f) Entrepreneurship Development Programme

At the orientation camp of the National Youth Service Corps, there is a compulsory programme for the Corps members of all batches, called Entrepreneurship Development Programme (EDP), in collaboration with NDE, and CEN to sharpen the Entrepreneurial spirit of the Corps members and assist in their empowerment to actualize their dream to be Entrepreneurs.

5. THE DEPTH OF ENTREPRENURIAL STUDIES IN NIGERIA

The depth of entrepreneurial studies and indeed entrepreneurship culture may not for now be pronounced. However, as it is often said knowledge is power. The degree of orientation, awareness, knowledge and entrepreneurial consciousness gained since 2009 when the government realized that she should steer entrepreneurship development through the provision of basic infrastructure and social amenities has made most people to start thinking outside the box.

In institutions of higher learning, graduates and undergraduates alike are realizing through entrepreneurship studies that discipline may be irrelevant in what one does or practices after graduation. In order words, education is only meant to bring out latent qualities of everyone. Consequently, entrepreneurial studies is helping to bring out the innate qualities of students and therefore is no longer seen as a means of securing well paid jobs rather as a fulcrum for the development of creative and innovative minds. Many students who offer professional courses are realizing through entrepreneurship studies that course of study is not as important as sound ideas and capabilities in terms of being self-reliant

6. The Challenges of Entrepreneurship Development in Nigeria

The following challenges have been affecting the entrepreneurship development in Nigeria

- i. Poor National Development Plan Framework on entrepreneurship: Over the years, observes Ayodele, (2006), the National Development Plans have never considered entrepreneurial studies and development. It has never thought of reducing the field and specifically focus on entrepreneurship development rather issues of entrepreneurship come under commerce and industry a situation that results into a planning gap and lack of strategic development.
- ii. Lack of political will to implement National Economic Development Policies: All the policies released at one time or the other relating to Entrepreneurship Development and industrialization were not systematically implemented. They leaders and their advisers lack political will to execute policies that relate to Entrepreneurship Development.
- iii. Corruption: Corruption has eaten deep into the fabric of every aspect of Nigeria. Funds set aside for the development of entrepreneurship has always been diverted into a personal purse leaving the programmes unfulfilled. Due to corruption, the right people who are supposed to be in positions of managing the agencies to offer good advise towards Entrepreneurship Development, are not considered, rather mediocre are put in such capacities just to satisfy political benefactors.
- iv. Insecurity in Nigeria: The spate of insecurity in the country does not encourage the establishment of any business let alone development of new ones. Entrepreneurship being ideation oriented requires a stable environment for the entrepreneurs to think a right though crisis creates investment opportunities for especially those who are not directly affected by the crisis. However, with the rate of bombing, kidnapping, assassination and indiscriminate killing, entrepreneurs even budding ones are afraid to prosecute their dreams, visions, creative and innovative thoughts. Even when they are willing to execute their visions, the most preferred site may be under siege by agents of insecurity.
- v. Financial Constraints: Venture capitalists are hardly seen in the Nigerian business landscape. As a result budding entrepreneurs with viable proposals are forced to seek for loan facilities from banks with high interest rates. To cover the gap created by absence of venture capitalists; government intervened by creating palliative financial interventions. Despite governments'

palliative financial interventions the stringent requirements are harsh and unfavorable to entrepreneurs in Nigeria. Collateral security requirement is a serious cog to old and young entrepreneurs. Truly, the palliative financing measures and policies are just in principle. It is the technocrats and politicians who have no investment ideas that have access to such intervention funds and not the entrepreneurs whom it was meant to empower. To this end, Bamkole,(2007) asserts that finance is one of the constraints but not greater than sound investment ideas.

vi. Knowledge Value: one of the greatest challenges of entrepreneurship development in Nigeria is the preference of paper qualification to the degree of knowledge, skills and capabilities one has. Because paper qualification is highly valued, having original thought, and being creative and innovative are not properly rewarded. As a result those who are able to become entrepreneurs feel somehow unwanted. The situation has made most persons who have been independent of the government to depend on the government.

Vii Lack of Team Work: Lack of team work is a serious challenge to entrepreneurship development in Nigeria because entrepreneurs own their business and like to control it themselves. Every entrepreneur is so self centred that he doesn't believe any other person is qualified to partner with him. Consequently, any aspect he is in lack, derails the progress of the firm because risks are not shared and the knowledge of others are not leveraged. Team work calls for a good human relations, complementary role, trust, honesty and transparency. Where these variables are in lack, each entrepreneur remains in search of resources and unable to satisfy the wants of the society.

CONCLUSION

The need for entrepreneurship development and indeed studies started emerging in the late 1970's when job opportunities were becoming saturated and made unemployment and poverty a latent national issue. It was not long Nigerian economy collapsed consequent upon political instability and inconsistencies in the socio-economic policies of successive governments. The results of the inconsistencies in the socio-economic policies of successive governments was large scale layoff of workers and early retirements of others as well as its concomitant high level of unemployment.. In the face of this situation, entrepreneurship which would have salvaged the situation was not encouraged. Tertiary education was devoid of the philosophy of self-reliance

such as creating a new cultural and productive environment that will promote pride in primitive work and self-discipline, encouraging people to take part actively and freely in discussions and decisions affecting their general welfare, promoting new sets of attitude and culture for the attainment of future challenges. Today, there is a resurgence of the philosophy of self-reliance in Nigerian tertiary institutions and it is hoped that with that Nigerian industrialization and economic development is in sight.

RECOMMENDATIONS

The following recommendations when adhered to will enable Nigeria queue in to the path of economic development.

Government and her agencies are required as a matter of necessity to carry out feasibility studies with the aim of identifying key economic sectors for development. In this regard the most viable options as identified should be pursued as a priority.

The gap between research institutes and the manufacturing sector should be closed so that sound investment ideas as well as the customer voice are not lost or dumped in archives. This is necessary because elsewhere research results are made available in the industry through which the society benefits.

Conducive investment environments in terms of constant electricity, regular water supply, assured security of life and property, viable incubation centers, good road networks, and the like should be provided as a means of encouraging self reliance.

The apex bank and the economic planners should aim at realizing a single digit leading interest rate and as well make financial services available to low income earners.

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