

## ***Entrepreneurship Education and Economic Growth in Nigeria: The Nexus***

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### **Abstract**

*One of the main goals of modern economics is to identify factors that influence economic growth. Entrepreneurship has a huge impact on the economic landscape of a country. Economists and policymakers are aware of this. In reality, entrepreneurship has come to be seen as a catalytic agent for the extension and promotion of productive activities in every aspect of economic life around the world. The purpose of this research is to highlight how entrepreneurship education affects Nigeria's economic growth. The major goal of this article is to x-ray the important link between entrepreneurship education and economic growth. The article asserts that entrepreneurial education is more closely linked to economic growth than foreign aid. As a result, it is acceptable to argue that entrepreneurship education in emerging nations, such as Nigeria, is critical to unlocking economic growth, creating jobs, and reducing poverty, among other things. It is recommended among others that entrepreneurship skills centres should be established in both rural and urban locations so that entrepreneurs may gain additional skills that will enable them to be more effective and contribute more to economic growth and development.*

**Keywords:** entrepreneurship, education, economic, growth, Nigeria

### **Introduction**

Every responsible government considers economic development to be a top concern. It has a prominent position in its development plan and is a major campaign pledge during electioneering campaigns. Many governments in underdeveloped nations have turned their attention to education as a means of achieving national development, as it is widely acknowledged as the cornerstone of progress. A country with educated citizens has a better chance of achieving national growth than one where the citizens are illiterate. This is founded on the concept that educated citizens are not only creative and productive, but also culturally and socially tolerant individuals who apply ethical and moral principles in their daily lives with an entrepreneurial spirit which helps to

create employment opportunities and reduce poverty among the teeming youth. They contribute to technical, economic and political development because of their leadership qualities and ideology.

Education has been used primarily as a reformative process in the sustainable development of a dynamic society for shared prosperity and harmony of the citizenry since man's divine creation (Awofala & Sopekan, 2013; Oyekan, 2015). The value of quality education motivates progressive countries across the world to use school curricula to engage students in intellectual and vocational pursuits as a means of fostering the required workforce in the public and private sectors of the economy. This means that the comprehensive school curriculum should represent current society's creative interests, fresh ideas, and viable goals, as well as a lively cultural heritage, technical advancements, innovative industrial experiences, and entrepreneurial demands. The existence of such a dynamic human organisation is largely dependent on the quality of its people's education, training, induction, and orientation into their chosen fields. It is predicated on the conviction that functional education is the most enduring investment, legacy and tool for future generations to pursue a common cause of development and advancement in all aspects of humanity (Oyekan, 2015).

Entrepreneurship is the smart development and investment in unique ideas developed by creative individuals to tackle crucial difficulties that will improve their economic well-being and human life quality. It is founded on the courage of entrepreneurs, whose willingness to change and make smart use of their enterprising abilities can provide them with a brighter and more gratifying future, with increased responsibility for self-reliant employment and wealth creation. In this case, improving human capacity development necessitates proper comprehensive entrepreneurial education as a foundation for identifying and developing the creative capabilities of youngsters with sufficient resources in academic, vocational and technical subjects within and outside the school settings. Entrepreneurship education aims to equip students with the knowledge, skills, and drive needed to succeed as entrepreneurs in a range of situations. Meaningful curriculum reforms at all levels of education can expose students to relevant experiential work-based learning activities in a variety of arts, commercial, science, and technical subjects as the foundation for higher education students' choice of enduring careers in Agriculture, Education, Engineering, Environmental Studies, Humanities, Science and Technology, and Management (Oyekan, 2016). Youths are gradually given the resources they need to enable technical advancement and economic growth in order to ensure human survival in a productive society.

To different writers, entrepreneurship education means different things. After acquiring professional skills, entrepreneurship education refers to the identification of general characteristics of entrepreneurs and how future entrepreneurs can be trained in management practices needed for optimal performance of personnel and long-term survival of a company. According to Olawolu and Kaegon (2012), entrepreneurship education prepares youths to be responsible and enterprising individuals who become entrepreneurs or entrepreneurial thinkers by exposing them to real-life learning experiences in which they will be required to think, take risks, manage situations, and learn from the experience. Entrepreneurship education, according to Ememe (2011), empowers youths to pursue success in initiatives by their own efforts. Entrepreneurship education comprises educating students, learners, and would-be entrepreneurs on the basic skills needed to construct profitable businesses, as well as equipping trainees with the necessary abilities for accepting responsibility and developing potential trainees' initiatives. Abefe-Balogun and Nwankpa (2012) view entrepreneurship education to involve a dynamic process of creating wealth through the process of creating something new and in the process assumes both attendant risks and rewards. Atakpa (2011) sees entrepreneurship education as an aspect of education which equips an individual and creates in the person the mindset to undertake the risk of venturing into something new by applying the knowledge and skills acquired in school.

Entrepreneurship education is the process of teaching people how to recognize and develop key entrepreneurial characteristics, skills, and behaviours. Entrepreneurial skills such as creativity, innovation, quick decision-making, and risk-taking are relevant not only to those interested in starting and growing their own business, but to everyone, as these skills are required in the workplace, daily activities, household management, and society at large. As the adage goes, learning never stops, and entrepreneurship education should never stop either; great entrepreneurs continue to learn throughout the life of their company/investment. According to Adesulu (2010), in order to reach the Nigerian Vision 20:2020 goals, the country must not only educate entrepreneurship in schools, but also be prepared to apply it. Another definition of entrepreneurship education is someone who comes up with novel ideas and turns them into profitable businesses. Adesulu adds that entrepreneurship is defined as the act of combining creative and inventive ideas with organizational management abilities in order to combine people, money, and resources to solve a recognized need and create profit. Entrepreneurship education, Egunjimi (2012) observes, is structured to achieve the following objectives:

- To offer functional education for the youth that will enable them to be self-employed and self-reliant.

- Provide the youth graduates with adequate training that will enable them to be creative and innovative in identifying novel business opportunities.
- To serve as a catalyst for economic growth and development.
- Offer tertiary institution graduates with adequate training in risk management, and to make certain bearing feasible.
- Reduction in rural-urban migration.
- To reduce the high rate of poverty.
- Create employment.
- Provide the young graduates with enough training and support that will enable them to establish a career in small and medium sized business.
- To inculcate the spirit of perseverance in the youths and adults which will enable them to persist in any business venture they embark on.
- Create smooth transition from traditional to a modern industrial economy (p.15).

Entrepreneurship is defined as the ability of an individual or a group of individuals to develop or find a business opportunity and exploit it for the benefit of society, resulting in the innovators' and their companies' success. Entrepreneurship is defined by Dau and Cuervo-Cazurra (2014) as "the formation of new firms by a stable collection of people who coordinate their efforts to produce new value-added economic activity."

Over the years, economists and policymakers have become increasingly interested in the relationship between entrepreneurship and a country's economic progress. However, some people regard it as a direct relationship, while others see it as an indirect one. This curiosity stems from a desire to learn more about how entrepreneurship affects a country's economy. Economists and policymakers both appreciate the impact of entrepreneurship on a country's economy. In reality, entrepreneurship has come to be viewed as a catalytic factor for the extension and promotion of productive activities in every aspect of economic life around the world. Entrepreneurship development played a big role and had a substantial impact in a number of countries around the world. Entrepreneurship has been presented as a solution for empowerment, job creation, economic reform, and poverty eradication by a number of countries' leaders and academics.

Nigeria's vast, lively, and dynamic human and natural resources provide the country with countless commercial and investment opportunities. Entrepreneurs' performance and efficacy as a tool for economic growth and development in the country has long been scrutinized. This close inspection comes in the wake of small business' poor performance and inefficiency, particularly when it comes to analyzing its impact on economic growth and development. Only when a country's citizens engage in

entrepreneurial activity can it generate a consistent stream of economic prospects. A healthy economy may be built through good entrepreneurship. Nigerians have made significant contributions in a variety of sectors, including science, technology, academia, business, and entertainment. In Nigeria, entrepreneurship and inventiveness have resulted in the development of businesses in fields such as agriculture/agro-allied, solid minerals, transportation, information, and communication, hospitality and tourism, building and construction, and so on. Despite its reported great economic growth, Nigeria, according to Nkechi, Emeh, and Okechukwu (2012), is still one of the poorest countries in the world, with one of the highest rates of youth unemployment in Africa.

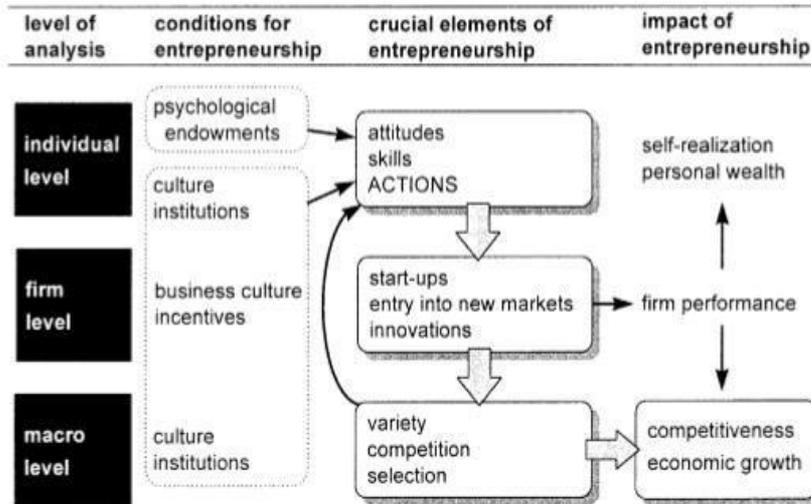
Entrepreneurship is a complex phenomenon that can be studied as a process, a resource, or a state of being. According to the Schumpeterian viewpoint (Schumpeter, 1934), the entrepreneurial process is one of the most important aspects in a country's or region's economic development. Researchers, on the other hand, have expressed varying opinions on the relationship between economic development phases and entrepreneurship at the period. Entrepreneurship is significant because it is, above all, a human trait (Bessant & Tidd, 2011). It is now more vital than ever for economic growth and development in modern open economies. Economic experts have abandoned their traditional approach to economic development, which focused primarily on attracting large corporations through various financial and fiscal incentives. They rely on small and medium businesses (SMEs) and new ventures more than they did in the past. Government officials all over the world recognize entrepreneurship as “not only a key mechanism for enhancing economic development, particularly in regions where entrepreneurial activity was once vibrant but is now lagging,” but also as “a good solution because it provides a relative return on investment to increase the proverbial pie, creating jobs and enhancing per capita income growth. That is why “entrepreneurs need access to resources and markets to succeed, and this is where national policies play a vital role” (Kressel & Lento, 2012, p.6).

There is no single definition that encompasses all aspects of economic progress. Economic development can be defined in terms of objectives (e.g., job creation, improved quality of life) or as a process that influences growth in order to improve a community's or society's economic well-being. Economic development, in this context, refers to the process of an economy's structural transition into a contemporary, technologically advanced economy based on services and manufacturing. To put it another way, economic development is defined as “long-term advances in a society's material well-being, as measured by GDP per capita, GDP growth, productivity, and

employment” (Naudé, 2011, p.7). Economic development, in its broadest sense, comprises the following three primary areas:

1. Policies that government undertakes to meet broad economic objectives including inflation control, high employment and sustainable growth.
2. Policies and programs to provide services including building highways, managing parks and providing medical access to the disadvantaged.
3. Policies and programmes explicitly directed at improving the business climate through specific efforts, business finance, marketing, neighborhood development, business retention and expansion, technology transfer, real estate development and others (IEDC, p.3).

Economic development generally refers to a process of upward movement in which a country's actual per capita income rises through time. Entrepreneurship education plays a critical part in a country's development. It is one of the most crucial components of economic growth. The quantity and quality of entrepreneurs have an impact on the country's economic progress. The economic history of today's advanced countries, such as the United States of America, China, Germany, Switzerland, France, the Netherlands, the United Kingdom, Spain, Italy, Denmark, Russia, and Japan, supports the notion that entrepreneurship education is an unavoidable cause of economic development. The critical and significant role of entrepreneurs in advanced countries' economic development has made people in emerging and underdeveloped countries aware of the need of entrepreneurship for economic development. Active and enthusiastic entrepreneurs can only explore the potentials of a country's available resources, such as labour, capital, and technology, it is now universally understood. As demonstrated in Figure 1, the link between entrepreneurship and economic growth cannot be overstated.



**Figure 1:** A framework linking entrepreneurship to economic growth. (Adopted from Afolabi, 2015).

Entrepreneurship studies were introduced as a mandatory course in the Nigerian educational system in the early 2000s, particularly in higher institutions. The Centre for Entrepreneurship Development (CED) was formed with the goal of training and encouraging students in higher institutions (particularly in science, engineering, and technology (SET)) to develop entrepreneurial, inventive, and management abilities. The Center's mission is to help graduates become self-employed, create jobs for others, and build wealth (Thaddeus, 2012). Thaddeus continued that entrepreneurship development in Nigeria became significant only after the Nigerian civil war. At the end of the war, the 2nd National Development Plan focused on the development of the 3Rs objectives of Reconstruction, Re-development and Reconciliation. The activities in the plan challenged/tasked the ingenuity and inventive skill of the individuals.

During this time, an economic development philosophy emerged that saw industrialization as the ultimate source of economic growth, and industrialization as a product of technological progress and investment. On the other hand, technical development or capital expansion is considered as a function of, and result of, entrepreneurial endeavour. Evidence from the developed world, in particular, suggests that economic growth is fully dependent on the entrepreneur's quality and efficiency. Following Nigeria's independence in 1960, the government saw the need to foster indigenous entrepreneurs. The government is constantly reminded of the three-part relationship between entrepreneurship, industrialization, and economic growth. Small

and Medium Enterprises Development Agency of Nigeria (SMEDAN's) concentration is on the development of micro, small, and medium-scale Enterprises (MSMEs), where it coordinates and integrates MSME operations in order to realize their full potential and competitiveness (Thaddeus, 2012).

Over the last forty years or so, the government has built a number of support organizations that are specifically designed to help SMEs overcome some of the challenges they face on their growth path. The Nigerian Industrial Development Bank (NIDB), the Nigerian Bank for Commerce and Industry (NBCI), the National Economic Reconstruction Fund (NERFUND), the Nigerian Export-Import Bank (NEXIM), the National Directorate of Employment (NDE), the Industrial Development Coordinating Centre (IDCC), Peoples Bank, Community Banks, Construction Bank, and the Family Economic Development Bank are some of these specialized institutions. Despite the government's support institutions and other incentives, policy instability and reversals, as well as high turnover and frequent changes in government, have had a negative impact on the performance of the primary institutions responsible for policy formulation, monitoring, and implementation, resulting in macro-economic structure distortions and low productivity (Nwachukwu, 2012).

### **Entrepreneurship and economic development: The nexus**

Entrepreneurship helps in the process of economic development in the following ways:

1) **Balanced regional development:** The expansion of industry and business brings a slew of public benefits, including transportation, health, education, and entertainment. When industries concentrate in a few cities, development is constrained to those areas. There is a quick development when new entrepreneurs flourish at a faster rate and are driven to establish their businesses in smaller towns distant from big cities due to increased competition in and around cities. This contributes to the development of backward areas.

2) **Dispersal of economic power:** In most cases, industrial development leads to the concentration of economic power in a few hands. Monopolies are one of the consequences of this concentration of power in a few hands. The development of a large number of entrepreneurs aids in the distribution of economic power among the populace. As a result, it aids in reducing the negative impacts of monopoly.

3) **Employment generation:** The nation's concern is growing unemployment, particularly among the educated. Only 5% to 10% of the unemployed can be accommodated by the available job opportunities. Entrepreneurs create jobs in two ways: directly and indirectly. They provide jobs to millions of people directly through self-employment as an entrepreneur and indirectly through the establishment of

numerous manufacturing units. As a result, entrepreneurship is the most effective means of combating unemployment.

4) **Creating innovation:** An entrepreneur is someone who is continually on the lookout for new opportunities. He brings fresh concepts and new combinations of factors in addition to mixing the factors of production. He is constantly attempting to introduce newer methods of manufacturing goods and services. Through invention, an entrepreneur contributes to economic development.

5) **National income:** The commodities and services produced in the country, as well as those imported, make up national revenue. The goods and services produced are intended for domestic consumption as well as to meet export demand. Domestic demand rises in tandem with population growth and rising living standards. Due to a variety of factors, export demand rises to satisfy the needs of rising imports. To meet the rising demand for goods and services, an increasing number of entrepreneurs are needed. As a result, entrepreneurship boosts national income.

6) **Improved standards of living:** Entrepreneurs are critical to generating higher economic growth rates. Entrepreneurs are able to make items at a reduced cost and deliver high-quality commodities to the community at a cheaper cost, depending on their needs. When the price of commodities falls, customers gain the ability to purchase more things to satisfy their needs. They will be able to raise the people's level of living in this manner.

Other benefits of entrepreneurship education to Nigerian economy are enunciated by Ogundele and Egunjimi (2017) as follows:

a) **Provision of employment opportunities:** Entrepreneurial activities increase the number of job openings. People are required by businesses to work for them. Entrepreneurship also minimizes the amount of job seekers on the streets looking for unfilled positions. The high rates of crime and violence on the streets and among youths are also due to unemployment and inactivity.

b) **Effective resource utilization:** Entrepreneurship makes use of natural resources, diverting resources from less productive to more productive regions, generating value for both the entrepreneur and the economy. The huge natural and human resources of Nigeria are successfully used.

c) **Equitable distribution of income and wealth:** More wealth is created in rural areas as a result of more entrepreneurial activities, which propagates the economic prosperity of both communities and people. As a result, more villagers will have greater job options, lowering the rate of rural-urban migration. Entrepreneurial activities in rural areas generate new jobs, raising local incomes and improving the quality of life in rural areas. Entrepreneurial activities like these effectively connect rural communities to bigger urban areas.

Entrepreneurship education also aids in a country's increased productivity and capital accumulation. In conclusion, the growth of entrepreneurship is unavoidable in the country's economic progress. The role of entrepreneurship development can be summarized as follows: economic development is an outcome of entrepreneurship, and entrepreneurship is a cause of economic development. For many developing countries, as Ogundele and Ogunjimi (2017) observe, entrepreneurship has been a powerful engine of economic growth and wealth creation, and is crucial for improving the quality, number and variety of employment opportunities for the poor. It has several multiplier effects on the economy, spurs innovation, and fosters investment in people, which is a better source of competitive advantage than other natural resources, which can be depleted. Entrepreneurs start new businesses, commercial ventures, and economic sectors. They create jobs for others, provide goods and services for society, introduce new technologies, improve or lower the cost of outputs, and earn foreign exchange by expanding exports or substituting imports. Entrepreneurial activities, if properly carried out and backed by active government policies and infrastructures, have the potential to lift Nigeria out of poverty, with over 10% of the population living on less than \$2 (two dollars) per day and 54% surviving on less than \$1 per day. Even with the presence of white collar jobs for graduates who want to pursue professional careers, it is also expedient to acquire entrepreneurial skills. This serves as a means to the end of generating extra income for self-sustenance.

### **Conclusion**

The diverse economic nature of emerging countries, such as Nigeria, and established countries, such as the United States, give larger prospects for entrepreneurs, and they are currently the focus of both local and global businesses. There is a strong association between entrepreneurship and economic growth in developing economies like Nigeria. As a result, it could be a solution to Nigeria's economic problems. Entrepreneurship is known to encourage skill acquisition, creative thinking, product development, marketing, leadership training, and wealth creation, resulting in thriving micro, small, and medium enterprises (MSMEs) that generate gainful employment, create wealth, provide opportunities for women, diversify the economy and consequently grow the economy. The Nigerian economy's future is largely dependent on a new generation of entrepreneurs who will have to come up with fresh ideas and be determined to see them through, as well as have the vision to produce wealth and jobs. In order to do this, a cultural shift in Nigeria is required. In the Nigerian economy, entrepreneurship education is required to create jobs, reduce unemployment, crime, government spending, poverty, and social discontent, as well as to build wealth and increase the country's standard of living.

## **Recommendations**

For entrepreneurship education in Nigerian universities to be an instrument for economic growth, the following recommendations are made:

1. All lecturers and instructors should get regular entrepreneurship education training: lecturers should be recruited, trained, and re-trained in the field of entrepreneurship education. They should be financially supported to attend local and international conferences in order to expand their knowledge and effectively impart entrepreneurial skills to learners.

2. Access to sufficient resources (including finance) for graduating students who want to establish their own firm should be provided.

3. The various university administrations could contact some Non-Governmental Organizations (NGOs) or banks to provide entrepreneurship instructors with low-interest loans or grants to help them start and run their own businesses. This will allow them to gain practical experience via their own efforts, which they can then pass on to the students.

4. Provision of appropriate instructional materials and local infrastructure and support services to ensure relevance to the Nigerian situation.

5. The government (federal, state, and local) should provide appropriate social amenities such as power, road, and other facilities required to encourage entrepreneurial activity and increase efficiency.

6. Governments should introduce a policy that will help improve the physical infrastructure - power, broadband internet, transportation - particularly in the more rural regions.

7. Entrepreneurship skills centres should be established in both rural and urban locations so that entrepreneurs may gain additional skills that will enable them to be more effective and contribute more to economic growth and development.

8. Governments should provide incentives to companies who offer great employee value propositions to prospective professional personnel, such as specialized training or stock option programmes, such as subsidies and tax incentives.

9. Workshops, seminars, symposia, lectures should be organized to aid in the growth and development of the country.

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