Entrepreneurship: An Alternative Strategy for Economic Development in Nigeria

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Abstract
Although it is widely believed that entrepreneurship is a sine qua non condition for economic development, however, not enough had been done by Government in the past to support entrepreneurship in Nigeria. Never the less, the beleaguered Nigerian economy requires resuscitation through the promotion of the ideals of entrepreneurship. Therefore, this paper focuses on the problems of entrepreneurship such as serious dearth of capital, threat from foreign competitors, fraud and inferiority syndrome, inadequacy of feasibility studies, poor state of infrastructure as well as insecurity and the problems of unfavorable monetary and fiscal policies of Government. The paper also delves into the characteristics, types and functions of the entrepreneur. The paper concludes that entrepreneurship is the bedrock of the economic development of any nation. However, it suggests that a country enjoys the fruits of economic development only when it addresses the challenges of entrepreneurship. Hence, it was recommended that government should evolve realistic monetary and fiscal policies, tackle the issue of financial crimes and corruption as well as moderate the cost of doing business among other suggestions.

Key words: Entrepreneurship, Economic Development, Entrepreneur and Accountability

Introduction
Today the Nigeria’s economy is at crossroads. The country as a giant of Africa, it seems, has not been able to overcome the challenges of economic development. The two leading economies of the world, America and China, have a common trait with Nigeria. China is the most populous country in Asia with the second highest GDP in the world closely following the USA. The USA, a country with the highest GDP in the world, is the most populous country in North America. Nigeria has the highest population in the African continent. The two leading nations have been able to harness their abundant human resources to propel them to greatness. Nigeria has not been able to achieve this feat because the country lacks the zeal of enterprise of the Chinese and the business acumen and ingenuity of the Americans. Besides, the country has been embroiled in political conflicts, sectarian violence and brazen corruption that have scuttled the objectives of economic development in Nigeria.
In the developed countries, entrepreneurship in particular lubricates the engine of economic growth and development. For Nigeria to succeed in this regard, the country must promote entrepreneurship to achieve the desired economic development and self-reliance. It is paramount to note that in all advanced countries, entrepreneurs are the captains of industries who control the commanding heights of economic activities in those countries. The fact that Nigeria has a mono product economy, which mainly relies on the export of crude oil, an exhaustible resource, is a testimony to the country’s weak economic base. The two leading economies have a strong export sub-sector and a formidable industrial base driven by enterprising entrepreneurs.

Therefore, for a country to achieve a sustainable development Soba, (2010) observes that business enterprise is the engine of economic growth in today’s era of globalization in which the middle class entrepreneurs in particular are required in the engineering process of economic progress. Speaking in the same vein Aminu (2012) asserts that “in most economies of the world entrepreneurs are encouraged to participate to assist in propelling the engine of economic growth and development”.

However, Aminu lamented that Nigeria’s entrepreneurial skills were stifled during the colonial period when indigenous entrepreneurs were not encouraged “due to lack of expertise and fear of competition with foreign companies”. Nonetheless, after more than half a century of political independence, Nigeria has no excuse rather than to embrace the entrepreneurship pursuits required to achieve economic growth and development.

Entrepreneurship and Economic Development
Entrepreneurship is an act of engaging in viable and sustainable business opportunities with a view to providing goods and services to the society and a profit to the entrepreneur. Aminu (2012) defines entrepreneurship as “the pursuit of lucrative opportunities by enterprising individuals with the hope of making a fortune”. Economic development, on the other hand, according to Soba (2005) is a sustained economic growth as well as a noticeable improvement in the socio-political life and living standard of a nation over a long period, while economic growth is an increase in the level of GDP or output of a country in a given period. ‘It is an increase from one period to the next in real GNP’, (Ruffin & Gregory, 1985). Hence, from the definitions of entrepreneurship and economic development above, one can easily deduce the relationship between the two concepts. The two concepts are related with entrepreneurship a sine qua non condition for economic development. No wonder economic development has eluded Nigeria for long. A nation that has not promoted entrepreneurship, and where entrepreneurship education is a new development like Nigeria, may not taste the fruits of economic development.

Entrepreneurship: Its relevance to the Nigerian Economy
The relevance of entrepreneurship to the Nigerian economy stems from the fact that the country requires enterprising entrepreneurs to achieve the desired objectives of economic development. Therefore, the economic development of the country depends largely on the efficient performance of entrepreneurial functions. Besides, Nigeria boasts of the largest single market in the whole of the African continent that provides lucrative investment opportunities for entrepreneurs. Many business opportunities abound in the country, which could be promoted through entrepreneurship. In addition, Nigeria is blessed with the abundance of both human and natural resources suitable for business operations. Hence, entrepreneurship is important to the Nigerian economy because of the following reasons:
- It leads to sustainable economic development
- It causes job creation
- It ensures an optimal resource utilization
- It provides societal basic needs in terms of goods and services
- It promotes the culture of self-reliance
- It raises the level of the living standard.

Types, Characteristics and Functions of Entrepreneurs
An entrepreneur is a person who seizes a business opportunity by providing capital and organizing, coordinating as well as supervising economic activities for a profit. Various types of entrepreneurs exist which among others include small entrepreneurs, corporate and independent entrepreneurs. Small entrepreneurs are owners of small businesses that have small capital and are satisfied with their small earnings e.g. cobblers, hairdressers etc. Corporate entrepreneurs are people who have decided to set-up their own business based on their experience with big corporations.

Independent entrepreneurs are those who form businesses without the support of any corporate entity or government agencies. Independent entrepreneurs organize business forms such as sole proprietorship, partnership and private companies. An entrepreneur performs many important roles among which one is the introduction of innovation in the production process. According to Jhingan (1997:310) ‘innovation may take the form of the introduction of new methods in the process of production or introducing improvements in the existing methods’. Other important functions of the entrepreneur include the following:
- He initiates any type of business he wants to setup.
- He bears business risk by providing capital
- He carries out managerial coordination through the allocation of available factors of production.
- He carries out important decision concerning the business enterprise and delegates others to his subordinates.
- He decides on what to produce, how and where using the most efficient techniques of production.

A good entrepreneur must possess the following attributes and characteristics. A good entrepreneur is:
- Creative
- Innovative
- Resourceful
- Dynamic
- Risk bearing
- Hard working
- Confident
- Prudent
- Persistent
- Courageous
- Intelligent
- Decisive
- Motivating
- Tolerant
- Imaginative
- Responsive.

Problems facing Entrepreneurship in Nigeria includes;
1. Capital
The entrepreneur is known with the appellation of the risk bearer because he ventures into the uncertainty of business enterprise by providing the initial capital in order to
earn a fortune or make a profit. However, the Nigerian entrepreneur faces serious
dearth of capital because the cost of borrowing, the interest rate, is too high.
In most advanced economies, the interest rate hovers around a single digit or slightly
above 10% whereas the interest rate in Nigeria is between 20% and 30%, which
makes it extraordinarily difficult for an entrepreneur to borrow from the financial
institutions and break even.
Besides, the prevalent incidence of poverty in the country precludes many Potential
entrepreneurs who have no enough personal savings from participation in business
ventures.

2. Absence of Managerial Skills
The high rate of business failure in the country suggests that many Nigerians do not
possess the required managerial skills for a successful business operation. The success
of any business enterprise depends on the ability to efficiently manage both human
and financial resources. Aminu (2012) argues that “many entrepreneurs are facing
problems of managing their entrepreneurship venture due to complete absence of
management knowledge and financial discipline”.

3. The Fraud Syndrome
Nigerians have been known all over the world for their nefarious business activities
and fraudulent financial dealings. Both domestic and foreign entrepreneurs have had
bitter experiences with fraudsters in the country. Therefore, the presence of fraudulent
business dealings in the country has been a serious deterrent to the advancement of
the cause of entrepreneurship in Nigeria. Also, the corruption record of the country
has dented the image of the nation and seriously affected the willingness of especially
foreign entrepreneurs to invest in Nigeria. Since the world has become a global
village due to the universalization of values and practices, Nigerian entrepreneurs
cannot afford to operate as an island.

4. Foreign Competition
In the business world, it is always a case of the survival of the fittest in which only the
most efficient competitor survives the unpredictable business environment. Many
Nigerian entrepreneurs have gone under due to stiff foreign competition. Therefore,
one of the greatest challenges of the Nigerian entrepreneur is the ability to withstand
cut-throat competition from foreign producers.

5. Inferiority Syndrome
Entrepreneurs in Nigeria face the problem of what one may call the inferiority
syndrome of the Nigerian consumers who adore foreign goods to the detriment of
similar goods produced within the domestic economy.
The impression of most Nigerian consumers is that any locally produced commodity
is sub-standard. This has been a major challenge facing the Nigerian entrepreneur for
long. Unless this idiosyncrasy of the Nigerian consumer is changed, our indigenous
entrepreneurs will not survive the threat of extinction pose by foreign producers.

6. Infrastructure
The Nigerian entrepreneurs operate within a very difficult business terrain
exacerbated by the inadequacy of facilities in Nigeria. The state of infrastructural
facilities in the country is so dismal that any serious minded business outfit must
maintain a private plant for its continuous survival in the business world.
Besides, the poor state of infrastructure has drastically raised the cost of business
operation in Nigeria and placed local entrepreneurs at disadvantage compared to their
foreign competitors.
7. **Feasibility Studies**

Some entrepreneurs in Nigeria lack the basic knowledge of the business environment within which they operate. Many businesses have failed because there have not been adequate feasibility studies. Market identification is a challenge faced by entrepreneurs during the initial commencement of business. Most local entrepreneurs do not identify their potential customers and could not even create the required consumer awareness for their product and services by adopting the appropriate marketing strategy.

8. Other problems faced by the local entrepreneurs in Nigeria include the presence of insecurity of life and property, inability to adopt new and changing technology of production as well as unfavorable monetary and fiscal policies of Government.

**Conclusion**

Entrepreneurship is the bedrock of economic development in any nation. Nigeria’s economic under-development could be attributed to Government indifference in the past to the virtues of entrepreneurship. A country that aspires to become a great nation must vigorously promote entrepreneurship. Therefore, the recent Government introduction of entrepreneurship education in our tertiary institutions is a welcome development.

**Recommendations**

1. Government should evolve realistic monetary and fiscal policies that could help the cause of entrepreneurship in the country. The high interest and tax rates charged by financial institutions and government respectively should be revisited in favor of entrepreneurship.

2. Government should help to moderate the cost of doing business in the country by resuscitating the dismal state of our infrastructure.

3. Government should not condone financial indiscipline and fraudulent practices by applying the punitive and deterrent measures intended to checkmate these vices.

4. Government should pursue vigorously policies that favor indigenous entrepreneurs to enable them have an edge over their foreign competitors.

5. Entrepreneurs should be more prudent in their dealings and dynamic in response to changing technology.

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