

Entrepreneurship Management: A Panacea for Social Economic Development in Nigeria

Anekwe Rita Ifeoma¹, Dr. Ndubusi –Okolo Purity², Dr. Nwanah Chizoba Patience³

^{1,2}Nnamdi Azikiwe University, Anambra State, Nigeria

³University of Nigeria, Enugu Campus, Nigeria

Abstract: The role of entrepreneurship in social-economic development has become an essential factor in employment, and innovations which enhanced market competition. They are the spark that ignites the flames of economic development in a country. Entrepreneurship is the focal point in the process of economic development. A nation's economic growth depends on successful domestic entrepreneurship combined with the forces of an established corporation. Several socio-economic problems that bedeviled the country such as corruption, terrorism, poor infrastructure, poverty, illiteracy, unemployment, low standard of living, etc. can be addressed through entrepreneurship development and management. The study explores entrepreneurship management as a panacea for social-economic development in Nigeria. It highlights the role of entrepreneurship in social-economic development, social-economic challenges confronting Nigeria, and the solution to Social Economic Challenges in Nigeria was also discussed. It was concluded that entrepreneurship is the engine of growth and development that drives the socio-economic transformation of any country, especially in a developing country like Nigeria. The study, therefore, recommended that the government should encourage people to engage in entrepreneurial activities by providing financial institutions that will give loans to people who are interested in venturing into business without demanding collateral.

Keywords: Economic, Social, Development, Entrepreneurship

I. INTRODUCTION

Entrepreneurship is the primary element of socio-economic development in a country. It constitutes immensely to the social, economic, financial, and otherwise development of any country. The structural adjustment programme of mid 1980s, developed by Nigeria government has put in place policies and programmes aimed at entrepreneurship development, as a means of employment generation, poverty alleviation and rapid economic and socio economic development. One of the important inputs in any economic development of a country is entrepreneurship. More the entrepreneurship activity better the development. Entrepreneurship is the lifeblood of any economy, they are a mainstay of a nation's socio-economic improvement. For a nation to actualize its full capacity in terms of economic and social transformation, it cannot afford to underestimate the significance of its local micro-enterprises and their positive impacts on the country's economy. Entrepreneurship is an act of identifying and exploiting opportunities. A perspective viewed as a compelling means not just of battling unemployment, poverty, and under-

employment in the developing countries, but also as a technique for fast economic advancement in both developed and developing countries (Ubong 2013).

Entrepreneurship has been seen as a key to economic development in many countries across the globe for many years (OECD, 1998, 2003; UN, 2004). For instance, in the European Union's Employment Strategies, entrepreneurship has been given a major role to increase the dynamism of economies and help employment creation and improvement (CEC, 1999, 2003). The relationship between entrepreneurship and social economic development is crucial for future global development, policy and research. Entrepreneurship has often been considered as having an important economic function, particularly in driving innovation and in the use and allocation of resources to take opportunities presented by changes in the external environment (Ahmed and McQuaid, 2005). Entrepreneurship embraces small business, innovation (particularly important to high technology) and regional and local development policy. Stevenson (2000) argues that entrepreneurship is an approach to management that can be defined as the pursuit of opportunity without regard to resources currently controlled. Several socio-economic problems that bedeviled the country such as corruption, terrorism, poor infrastructure, ignorance, poverty, illiteracy, unemployment, low standard of living etc. can be addressed through entrepreneurship development and management.

1.1 Objectives of the Study

- 1) Ascertain the social-economic challenges confronting Nigeria.
- 2) To examine the role of entrepreneurship on social-economic development in Nigeria.

1.2 Conceptual Clarifications

Entrepreneurship Management: entrepreneurial management is the practice of taking entrepreneurial knowledge and utilizing it for increasing the effectiveness of new business venturing as well as small and medium-sized businesses. Entrepreneurial management tries to establish and balance the innovation abilities of the organization with the efficient and effective use of resources. Entrepreneurial management is a "mode of management" that is proactive, opportunity-driven, and action-oriented (Shane and Venka- taraman, 2000). An entrepreneurial manager seizes any promising business

opportunity irrespective of the level and nature of resources currently controlled (Stevenson, 2006).

Socio-Economic Development: incorporates public concerns in developing social policy and economic initiatives. The ultimate objective of social development is to bring about sustained improvement in the well-being of the individual, groups, family, community, and society at large. It involves a sustained increase in the economic standard of living of a country's population, normally accomplished by increasing its stocks of physical and human capital and thus improving its technology. It is the process of economic and social transformation based on cultural and environmental factors.

II. THEORETICAL FRAMEWORK

The study is anchored on economic theory; the theory advocated that, entrepreneurship and economic growth will take in those situations when particular economic conditions and opportunities are most favourable for them. The economic theory emphasize that the development of entrepreneurship is the result of several economic functions. The assumption is that the psychological motivation for monetary gains exists in all the societies. Pataneck and Harris are the main advocates of this theory. According to them, economic incentives are the main drive for entrepreneurial activities. Entrepreneurs emerge due to incentives and economic gain.

2.1 The Role of Entrepreneurship in Social Economic Development

Entrepreneurship remains important in the development of a nation's economy. Invariably the important of entrepreneurship to social economic development cannot be overemphasized. Entrepreneurship as a cornerstone of development strategies for emerging economies has garnered support among a broad spectrum of scholars, policy makers and governments. Entrepreneurship contributes to a nation's economic development by creating jobs and fortune for a nation, the job creation by new and existing businesses is one of the basic goals of economic development. They encourages better standard of living, enable balanced regional development and initiate chain of support and wealth sharing. Adesuyi [7] sums up the importance of the sector as capacity building, unemployment reduction, technology transfer, industrial dispersal, backward and forward integration, use of local raw materials, development of apprenticeship, poverty alleviation, pooling of resources together etc. They emphasized that Entrepreneurship have contributed immensely to the national aspiration of creating job prospects, impacting knowledge into entrepreneurs, making income for the economy and being a source of livelihoods for the majority of low income citizens in the country (Adegbuyi, Fadeyi et al 2016). The major significance roles of this sector are also visible in other countries of the world such as China, Taiwan, South Korea, Singapore, and India among others. They contribute massively to the Gross Domestic production (GDP), export income and transfer of technology of these

countries. Ubong (2013) asserts that there is a definite relationship between entrepreneurship and economic development. A rise in the number of entrepreneurs leads to an increase in economic growth. Entrepreneurship has been highlighted as significantly related to the development of a given economy, and thus numerous referred to as a source of employment generation. Henderson (2007) clarified that entrepreneurship mostly recognised as the essential engine of economic growth while Asc (2006) affirms that there is a definite connection between entrepreneurship and economic growth. Entrepreneurship has led to employment generation, economic growth and sustainable development (Anyadike, 2012). In both developed and developing countries, entrepreneurs play important roles in modifying rural and urban areas, generating income and contributing to employment generation (Hallberg, 2000).

2.2 Social Economic Challenges Confronting Nigeria

There are some major issues in the Nigerian economy which hamper the social economic development these include the followings:

Unemployment: has been seen as a worldwide economic problem and has been categorized as one of the serious impediments to social progress. Unemployment is a very serious issue in Africa (Vandemortele, 1991, and Rama 1998), and particularly in Nigeria (Oladeyi, 1994 and Umo, 1996). Unemployment has been identify as one of the major challenges confronting the Nigeria-economic development (Ezie (2012 and Ede, Ndubisi, and Nwankwo 2013). Muhammad, Inuwa, and Oye (2011) submitted that unemployment constitutes a series of serious development problems and is increasingly more serious all over Nigeria. Alanana (2003) argued that unemployment is potentially dangerous as it sends disturbing signals to all segment of the economy. Fadayomi (1992), Osinubi (2006), argued that unemployment is as a result of the inability to develop and utilize the nations manpower resources effectively especially in the rural sector.

Poor Education: educational sector in Nigeria is plagued by many problems. Political interference is one of the problems of education in Nigeria. Politics is the major force in the educational system in Nigeria. Today, many educational institutions are opened and run in many states on political ground, admission into universities, colleges, polytechnics; most especially universities are sometimes guided by politicians, not academic performance (Busayo, 2018).

Corruption: inhibits economic growth and affects business operations, and investments. It also reduces tax revenue and the effectiveness of various financial assistance programs. Corruption also generates a lack of transparency and lack of control by supervisory institutions. It has a great impact on the economy, because it increases the volume of public investments (at the expense of private investments), and also reduce tax revenues by compromising the ability of the state administration to collect taxes and fees. Corruption manifests

itself in Nigeria inform of abuse of positions and privileges, low levels of transparency and accountability, inflation of contracts, bribe, etc these affects the social economic development in Nigeria.

Terrorism: has a direct effect on the economy through the destruction of human and physical capital (Collier, 1999). Terrorism is likely to induce counter-terrorism expenditure, thereby diverting expenditure from production-related activities to defence-related activities, which are generally considered to be less productive (Blomberg, Hess and Orphanides, 2004; Gaibulloev and Sandler, 2011). Terrorist activities create economy-wide risks and uncertainties that distort the equilibrium resource allocation within a country by changing individuals' savings, investment, and consumption behavior. Eckstein and Tsiddon (2004) and Naor (2006) argue that terrorism increases the perceived probability of an untimely death.

Poor infrastructure management: The poor infrastructural situation of Nigeria, Africa's most populous nation, without a doubt, has very severe effect on peoples' lives. Ondiege et al. (2013) attributed the rise in the transaction costs of business in most African countries to inadequate infrastructure. Poor infrastructure has been regarded as an impediment to economic development and a major constraint not only on poverty reduction, but also on the attainment of the Millennium Development Goals (MDGs) in SSA countries (Habitat, 2011) Olaseni and Alade (2012) as well as Sanusi (2012) advocated that infrastructural development and management is critical to the achievement of the Vision 2020. Lack of adequate social and economic infrastructure is one of the key constraints to short- and medium term poverty reduction in Africa, and has thus been a major force in private and public sector infrastructure development through the provision of financial and technical resources.

Devaluation of the national currency: devaluation means there is a fall in the value of a currency. The effects of devaluation on a nation's economy as reported by Sahil (2011), Imimole & Enoma (2011), has been summarized into positives and negatives. The positive effects are: it removes the uncertainty in the business circles thereby increasing the rate of investment; Foreign investor also feels pleasure to make the investment in those countries where the currency is devalued; it brings equilibrium in the external and internal value of the currency; it makes home goods cheaper to foreign countries and foreign goods expensive in the home country (Momodu, & Akani, 2016). The negative effects of devaluation of currency are: Exports are cheaper to foreign customers, imports more expensive, in the short-term; devaluation tends to cause inflation, higher growth and increased demand for exports. A large and rapid devaluation may scare off international investors. It makes investors less willing to hold government debt because the devaluation is effectively reducing the real value of their holdings

2.3 Solutions to Social Economic Challenges in Nigeria

The social economic challenges that bedeviled Nigeria can be addressed through the followings:

Anti-coorrruption agencies: Government has established different anti-corruption agencies aim at fighting corruption and other related issues in Nigeria with the help of law, these agencies include Independent Corrupt Practices and Other Related Offences Commission (ICPC), Economic and Financial Crimes Commission (EFCC) which was created to educate and enlighten the public on and against corruption and related offences with a view to enlisting and fostering public support for the fight against corruption, to receive and investigate complaints from members of the public on allegations of corrupt practices and inappropriate cases, to combat economic and financial crimes in the area of money laundering and terrorist financing; embezzlement, bribery, looting and any form of corrupt practices.

Job creation to reduce unemployment: the rate of unemployment in Nigeria is alarming and this has resulted to social vices among youth such as prostitution, armed robbery, kidnapping, ritual killings, Boko haram and all manner of criminal behaviours causing general insecurity of life and property. Entrepreneurs create businesses and new businesses create jobs, strengthen market competition and increase productivity. Ebie, (2015) advocated that Entrepreneurship will lower unemployment since it creates more jobs. The increase in employment rate will consequently foster the long expected 'national economic growth' through higher economic activities, high national and individual GDP, wealth creation and improved standard of living.

Infrastructural development and maintenance: Infrastructure has always played a key role in integrating economies within a region. Olufemi, (2012) described infrastructure as generally a set of interconnected structural elements that provide framework supporting an entire structure of development. Well developed and efficient infrastructure is essential for a region's economic development and growth. In a dynamic concept, infrastructure is seen as a regional public good that moves factors of production within and across countries, thus helping the region attain higher productivity and growth. Infrastructure development is a cornerstone to social economic development in any country, especially Nigeria. Improvement upon infrastructural development is a key to raise the quality and standard of living in the life of its citizens. Olalokun, (1979 cited in Rufus, & Bufumoh, 2017) also assert that with improved infrastructure there will be improved industrial and economic transformation, technological development and business growth. Good infrastructure raises productivity and lowers production cost but absence of basic infrastructure brings poverty and under-development (Rufus, & Bufumoh, 2017).

Security agencies: the security agencies in Nigeria are those institutions that have been set by the federal government of

Nigeria to ensure that the laws governing the federation are obeyed and enforced. They conduct intelligence activities for the internal security of a nation. The federal government has set up various security institutions such as state security service (SSS), National intelligence agency (NIA), Defence intelligence Agency (DIA), Nigeria Armed Forces, Nigeria Immigration services, Nigeria Security and Civil defence Corps (NSCDC), Nigeria Police Force (NPF). These security agencies ensure that they perform the role as provided by the constitution of the federal republic of Nigeria without interfering with the functions and duties of the other. They guard against threat to peace and security in the country also ensures that the lives, right of the citizens and resources, territory, sovereignty and lawful institution of the country are protected. They help to police and secured the environment from security crisis, this attract foreign investors which bring about economic development.

Quality Education: simply means effective acquisition of right knowledge and skills that effects self-growth and community development. Right knowledge symbolizes adequate information capable of transformation. Education is basic to development and is also regarded as an instrument through which the society can be transformed. Education equips human resources with the needed knowledge, skills and competencies, which would make them functional, and contribute to the all-round development of the nation (Odeleye, 2012). Economic and social development is increasingly driven by the advancement and application of knowledge. Education in general and higher education in particular, are fundamental to the construction of a knowledge economy and society in all nations (World Bank, 1999). The role education plays in the national development of any nation cannot be over-emphasized. It has been established that no country can develop beyond her educational level. The realization of the economic development, advancement or independence of any nation is a function of the educational capacity of the working class or the decision makers of that nation (Adetula, Adesina, Ojeka, 2010). Education has been recognized globally as a veritable and strategic venture pivotal to economic transformation of any nation.

III. CONCLUSION AND RECOMMENDATIONS

Entrepreneurship is the engine of growth that drives the socio-economic transformation of any country, especially in a developing country like Nigeria. Entrepreneurs play big role in driving a nation's economic growth and societal development. One of the important inputs in any economic development of a country is entrepreneurship. More the entrepreneurship activity better the development. Government should Support entrepreneurship in a motivating, innovating and stimulating environment which will result in economic development. Government should encourage people to engage in entrepreneurial activities by providing financial institutions that will give loan to people who are interested in venturing into business without demanding for collateral. Good infrastructure raises productivity and lowers production

cost but absence of basic infrastructure brings poverty and under-development as stated by Rufus, & Bufumoh, (2017) therefore government should provide or maintain the basic infrastructural facilities most especially constant power supply and good roads, these will help to foster entrepreneurship and ensure social economic development.

REFERENCES

- [1] Adesuyi, O.O (2013) "SME Finance in Nigeria". Paper presented for the Roundtable on "Making Small Business Finance Profitable in Nigeria".
- [2] Alanana, O.O. (2003). Youth unemployment in Nigeria: some implications for the third millennium. *Global Journal of Social Sciences*, 2(1), 21-26.
- [3] Anyadike, N., Emeh, I. and Ukah, F. O. (2012). Entrepreneurship development and employment generation in Nigeria: Problems and prospects. *Journal of Education and General Studies*, 1(4)
- [4] Adetula, D., Adesina, K., Ojeka S.(2010).Investment in Education for The Nigerian Economic Development. *Journal Of Internet Banking And Commerce*
- [5] Blomberg, S. B., Hess, G. D. and Orphanides, A. (2004). The macroeconomic consequences of terrorism, *Journal of Monetary Economics* 51(5): 1007{1032
- [6] Busayo T.(2018). Nigeria Educational System: Problems And Solutions. <https://Elearn.Lifelearners.Ng/Nigeria-Educational-System-Problems-And-Solutions/>
- [7] Collier, P. (1999). On the economic consequences of civil war, *Oxford economic papers* 51(1): 168{183
- [8] Eckstein, Z. and Tsiddon, D. (2004). Macroeconomic consequences of terror: Theory and the case of Israel, *Journal of Monetary Economics* 51(5): 971{1002
- [9] Ezie, O. (2012). Youth unemployment and its socio-economic implications in Nigeria. *Journal of Social Science and Public Policy*. 4: 112-119. ISSN 2277-0038
- [10] Ebie S (2015). The Role Of Entrepreneurship In Sustainable Socioeconomic Development And Transformation Of Communities. *Sustainable Human Development Review*, 7 (1-4),
- [11] Ede,C.E., Ndubisi, E.C and Nwankwo, C.A. (2013). Tackling unemployment through private sector. *International Journal of Innovation Research in Management*. 2(2): 41-52.ISSN 2319-6912
- [12] Fadayomi, T.O. (1992). Migration development and urban policies in Sub Saharan Africa, Ibadan: Codesria Book Series.
- [13] Goodling, Nicholas A. (2003). "Nigeria's Crisis of Corruption - Can the U.N. Global Programme Hope to Resolve this Dilemma?" *Vanderbilt Journal of Transnational Law*, 36(3):997-1026
- [14] Hallberg, K. (2000) A Market-Oriented Strategy for Small and Medium-Scale Enterprises. Discussion Paper No. 40, International Finance Corporation, the World Bank, Geneva.
- [15] Muhammad, S.A.; Oye, N.D. & Inuwa I. (2011). Unemployment in Nigeria: implication on the gross domestic product (gdp) over the years. *Int. J. ECO. RES*, 2(1), 66-71.
- [16] Momodu, A. A, & Akani, F N., (2016). Impact of Currency Devaluation on Economic Growth of Nigeria. *International Journal of Arts and Humanities (IJAH)*
- [17] Naor, Z. (2006). Untimely death, the value of certain lifetime and macroeconomic dynamics, *Defence and Peace Economics*17 (4): 343{359
- [18] Odeleye A. T. (2012). Education and Economic Growth in Nigeria: A Comparative Analytical Approach. *European Journal of Globalization and Development Research*, 5, 1, 2012
- [19] Olaloku, F.A. (1979). *Structure of the Nigerian Society*. Lagos: Macmillan Press Ltd 21.
- [20] Olufemi, A. (2012). *The Challenges of Infrastructure Development in Princeton Press. Prospects for the Future*. *Journal of Third World Studies*.
- [21] Ondiege,P.,Moyo,J.M.,&Verdier-Chouchane,A.(2013).Developing Africa's infrastructure for enhanced competitiveness in the Africa competitiveness Report 2013. In world Economic Forum.

- [22] Olaseni, M., & Alade, W. (2012). Vision 20:2020 and the Challenges of Infrastructural Development in Nigeria. *Journal of Sustainable Development*, 5(2), 63.
- [23] Rufus, A.& Bufumoh, P. (2017).Critical Infrastructure Decay and Development Crises in Nigeria.*Global Journal of Human-Social Science*
- [24] Sanusi, S. L. (2012). The Role of Development Finance Institutions in Infrastructure Development: What Nigeria can Learn from Bndes and the Indian Infrastructure Finance. In 3rd ICRC PPP Stakeholders Forum, Lagos, Nigeria, July (Vol. 18).
- [25] Sahil, A. S. A. (2015). Currency crashes in emerging markets: an empirical treatment. *Journal of Financial Management and Economics* 41, 351– 366.