

ENTREPRENEURSHIP EDUCATION AND SUSTAINABLE ECONOMIC GROWTH IN NIGERIA: AN EMPIRICAL INVESTIGATION

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Abstract

The paper focuses on the relationship between entrepreneurship education and indicators of economic growth in Nigeria covering the period, 2000-2018. The literature is replete with copious studies on the effect of entrepreneurship education on the Nigerian economic development, but empirical probe of the issue is scarcely pursued. The objective of the study is to examine the impact of literacy level as a proxy for entrepreneurship education on two indicators of growth namely unemployment and poverty levels. Utilizing a linear growth model, the study finds that entrepreneurship education exerted significant positive impact on unemployment but failed to establish relationship between entrepreneurship education and poverty level. The major conclusion of the study therefore is that the teaching of entrepreneurship education in higher institutions in Nigeria is ineffective. The study therefore recommends that government should make the teaching of entrepreneurship education more effective by providing relevant equipment. Finally, it was also recommended that government educational policy should be entrepreneurial-oriented to stimulate young men and women in taking to entrepreneurship through teaching materials and well-equipped capacity building centres provided in the country's institutions.

Keyword: entrepreneurship education, unemployment rate, poverty level, literacy level, linear model.

The idea of infusing entrepreneurship into education has spurred much enthusiasm in the last few decades or so. A myriad of results have been itemized which include but not limited to job creation, poverty reduction, increased societal resilience, increased school engagement and improved equality. Although, there has been a consistent calls by individuals and groups on the governments of Africa countries to tackle the high unemployment rate which is the direct result of high poverty level prevalent in the continent, very little effort has been made in this regard. In Nigeria, millions of graduates are turned out from tertiary institutions every year besides secondary schools graduates who migrate to the cities in search of non-existence white collar jobs. As they remained unemployed for several years, many became frustrated and turned to social vices such as armed robbery, kidnapping, ritual killings, yahoo-yahoo, banditry and prostitution. One of the ways to mitigate these problems is employment generation through entrepreneurship programme taught in the nation's education system. It has been argued that entrepreneurship education is a major means of assisting the youths to acquire requisite skills and capacities that will make them self-reliant. With entrepreneurship education, they are expected to set up their own ventures and be self-employed thereby reducing the number of white collar job seekers. According to Oguntimehin and Nwosu (2014), entrepreneurship refers to a form of education tailored towards self-reliance thereby leading to reduction in unemployment problems. They aver that entrepreneurship activity encompasses a dynamic process of creating incremental wealth by individuals who assume the major risks in terms of equity, time and career commitment.

Evidences abound that indicators of economic growth in Nigeria have not performed very well. Accordingly, the statistics from the Central Bank of Nigeria revealed that the unemployment rate which stood at 6.0% in 2011 rose to 10.4% in 2015 reaching all-time high of 18.8% in 2017. Likewise, incidence of poverty averaged 71.5% in 2011 and has increased to over 75% in 2017. In the same vein, adult literacy rate has consistently hovered around 70% between 2011-2017. Ogedengbe, Okhakhu and Adekunle (2015) submit that Nigeria cannot afford to take the back seat in the comity of nations in the quest for progress and economic independence. The fact that Nigeria has remained a developing economy for this long makes iturgent the need to fully embrace the entrepreneurship education by all individuals and institutions. This is obvious in the number of educated school leavers armed with good educational certificates currently roaming the streets of the cities for any jobs. Adawo & Atan (2013) cited in Onyido and Duru (2019) opine that the phenomenon has become a full blown challenge amongst graduates of tertiary institutions as most youths who are supposed to be productive and active members of the society become beggars, moving from one part of the town, state and country to another in search of greener pastures for which they are ill prepared and ill-equipped.

Research Questions

In light of the above problem the following research questions become relevant to the study.

- ❖ Does entrepreneurship education reduce unemployment in Nigeria?
- ❖ Does entrepreneurship education reduce poverty level in Nigeria?

Objective of the Study

Specifically, the study will:

- ❖ examine the impact of entrepreneurship education on unemployment in Nigeria
- ❖ assess the impact of entrepreneurship education on poverty level in Nigeria.

Research Hypothesis

The null hypotheses of the study are specified as follows:

H₀: Changes in entrepreneurship education does not affect unemployment in Nigeria

H₀: Changes in entrepreneurship education does not affect poverty level in Nigeria.

Significance of the Study

The significance of this study is predicated on the calls by individuals and stakeholders on the need for the government to reduce the growing unemployment and poverty in Nigeria. These twin evils in Nigeria have been adduced as the major causes of several social vices such as prostitution, ritual killings, armed robbery, kidnapping and many other criminalities. Although, quite a number of studies on entrepreneurship education in Nigeria exist in the literature, empirical probe of the effect of entrepreneurship education on indicators of economic growth (unemployment and poverty) is scarcely pursued.

Expectedly, the sequence of the paper is clear. Section two presents brief review of related literature. Section three outlines the methodology of the paper. Whilst section four presents result of findings, section five concludes the paper with policy remarks.

Literature Review

The concept of entrepreneurship education is defined as a form of education that seeks for the preparation of people, especially youths, to be responsible and enterprising individuals who will contribute to economic development and sustainable communities. Salleh and Gibbs (1990) conceptualized the term as someone who exhibits a distinctive set of enterprising attributes which embrace a number of skills, personality traits and acquire experiences and attitude. These attributes include creativity, initiative taking, analytical ability, high autonomy and achievement motivation. Manu and Brown (1987) cited in Oguntimehin and Nwosu (2014) itemized fourteen personal entrepreneurial characteristics expected of a successful entrepreneur as follows (1) take initiative, (2) sees and acts on opportunities, (3) be persistent, (4) personally seeks information, (5) be concerned for high quality, (6) be committed to fulfilling contracts, (7) be orientated to efficiency, (8) plans systematically, (9) solve problem in original ways, (10) demonstrates self-confidence, (11) take calculated risks, (12) be assertive, (13) be

persuasive and (14) use influence strategies. Nsowah (2004) identifies three important components of entrepreneurship. (a) It consists of basic personality characteristics which mix together values, abilities and motivation within the domain of creativity and assertiveness which are somehow innate to the individual. (b) Entrepreneurship is viewed in terms of enterprise attributes like planning systematically, seeking and acting on opportunities. (c) It goes beyond individual attributes to the performance of an economic or social role like managing a small business, ranging from roadside workshop to a high technology company.

The term entrepreneurship education focuses more on the specific context of setting up a venture and becoming self-employed. Technically, entrepreneur refers to a person as a leader, planner, programmer, motivator, risk-taker, creator, and innovator, technocrat while entrepreneurship encompasses a process of leadership, planning, motivation, risk-taking, innovation and decision-making. To an economist, an entrepreneur is one who by combination of labour, materials and other assets add to their value chain. Also, the entrepreneur is seen as one who introduces change, innovations and to a large essence a new order. To a psychologist, such a person is typically driven by certain forces namely; the need to obtain or attain something, to experiment, to accomplish, or perhaps to escape the authority of others (Hisrich & Peters, 2002) cited in (Oguntimehin & Nwosu, 2014). Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, social risks and receiving the resulting rewards of monetary, personal satisfaction and independence. Mbanefo and Eboka (2018) argue that entrepreneurship could be seen as the act of identifying, initiating, organizing and bringing an idea or vision to life whether it is a new product, service, process, strategy or market. The authors aver that entrepreneurship education leads to the acquisition of entrepreneurial skills for efficient and effective living thereby giving the youths more opportunities to exercise creative freedom, higher self-esteem and a greater sense of control over their own lives.

Entrepreneurship Education and Sustainable Economy Development in Nigeria

The concept of sustainable economic development entails the circulation of money and economic considerations in the pursuit of an improved standard of living and poverty alleviation. Economic growth is the increase in the real output of the nation in a particular period of time. On the other hand, economic development is the increase in the level of production in an economy along enrichment of living standards and the advancement of technology. Sustained growth can spur development in several ways such as a lift per capita income and raising people out of extreme poverty. Likewise, higher incomes can reduce income and wealth inequality and faster economic growth can generate higher profits which can then be reinvested thereby promoting increased productivity and capacity. Economic growth can take place in one or two sectors of the economy to the exclusion of the other sectors. In the case of economic development, it encompasses all or several sectors of the economy. In Nigeria for

instance, the petroleum and the telecom sectors can be said to be experiencing economic growth but cannot qualify us to say that the country is experiencing economic development as several sectors of the economy are undeveloped. Therefore, sustainability includes intergenerational equity, just and peaceful societies, social tolerance, environmental preservation and restoration, poverty alleviation and natural resource conservation (Ogundele & Egunjimi, 2016). Some essential tools are required to achieve sustainable economy growth and development. They include but not limited to: (a) improving the quality of basic education, (b) reorienting the existing education programmes to address sustainable economy, (c) implementing the various poverty alleviation programmes, (d) rural electrification, and (e) developing employment generation and enhancing agricultural output and income.

From the empirical corridor, Hamidi, Wennberg and Berglund (2008) tested whether students' creative potential is related to their intention to engage in entrepreneurship. Using multiple and ordinal regression analyses, the study finds high scores on a creativity test and prior entrepreneurial experiences are positively associated with entrepreneurial intentions. Also, the study finds that perception of risks has a negative influence. It was revealed by the study that exercises in creativity can be used to raise the entrepreneurial intentions of students in entrepreneurship education. Mbanefo and Eboka (2018) explored the innovative and entrepreneurial skills required in basic science education for job creation in Nigeria. The study which was conducted in Delta State uses a descriptive survey research approach. Further, the study uses mean and standard deviation statistics on 22-item questionnaire in addressing the research questions. The study finds that skills were needed in science education for job creation in Nigeria. However, a number of factors hinder the acquisition of entrepreneurial skills in the basic science discipline. Nwambam, Nnennaya and Nwankpu (2018) scrutinize the extent at which entrepreneurship education programme in Universities can guarantee sustainable development in Nigeria. Using simple random sampling technique of 260 respondents on a mean scores, the study finds that ill-equipped trained lecturers/instructors as well as instructional materials prevalent in the nation's universities does not fully equip students with adequate knowledge, resources and skills to establish on their own. It recommended regular training and retraining of lecturers/instructors by the institutions authorities as a panacea for sustainable economic growth.

Benefits of Entrepreneurship Education to Nigeria Economy

A number of benefits in entrepreneurship education have been advanced in the literature. As encapsulated in the thesis developed by Tiriyaki (2010) cited in Ogundele and Egunjimi (2016), some of which includes:

Provision of employment opportunities: Entrepreneurial activities boost employment opportunities and reduce the number of job seekers. Consequently, many idle youths are actively engaged undertaking one economic activity or the other.

Effective resource utilization: In this regard, the entrepreneur utilizes natural resources thereby attracting resources from less productive sectors to more productive areas.

Equitable distribution of income and wealth: Entrepreneurial activities in the rural areas create new jobs thereby increasing local incomes and raising the quality of life in the rural communities. Such entrepreneurial activities effectively connect the rural communities to the larger urban dwellers.

Facilitation of technological transfer/adaptation: Opportunities for developing and adapting appropriate technological approaches are provided by entrepreneurs. This facilitates the absorption of all kinds of workers - skilled, semi-skilled and unskilled

Challenges of Entrepreneurial Education in Nigeria

Entrepreneurship education in Nigeria is saddled with myriads of problems. Accordingly, Kuratko (2003) and Inegbenebor (2012) cited in Ogedengbe, Okhakhu and Adekunle (2015) highlighted some of the problems as follows:

How to Teach:How to teach entrepreneurship addresses the issues of how best to stimulate students' interest in entrepreneurship, the simplest method of transferring information, skill and attitudes relevant for successful venture creation and sustenance. Researchers have found widespread use of experiential learning in entrepreneurial education in most schools. Experiential learning is an effort to integrate real world experiences with conceptual learning. It involves various case analysis, business plans, consulting with practicing entrepreneurs as guest speakers, student involvement in product development teams, field trips, use of video and films (Ogedengbe et al., 2015).

What to Teach:What to teach is predicated on what the programme is designed to achieve. Initially, it was believed that the best that can be achieved by the programme was to change the perception of students towards making them aware of the nature and scope of entrepreneurship, the characteristics and the role demands of entrepreneurs as well as the impact of social, economic and political environment on new ventures creation. According to Kuratko (2003), entrepreneurship education includes skill building in negotiation, leadership, new product development, creative thinking and exposure to technological innovation. Other areas considered to be important for entrepreneurial education are sources of venture capital, idea protection, characteristics of entrepreneurs, challenges of each stage of venture development and awareness of entrepreneurial career options (Ogedengbe et al., 2015).

Teaching Facilities:Materials to aid the learning process of entrepreneurship in Nigerian institutions are always in short supply. This makes effective teaching of entrepreneurship a difficult task.

Orientation of Schools Administration:Many schools' administrators are not fully committed to the idea of entrepreneurship education towards nation building and therefore no meaningful support has been given in this regards. This has affected the zeal with which the students are being impacted with the knowledge. The fundamental question of who to be the target in entrepreneurship education is another fascinating

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aspect of the administrators' orientation in the nation's institutions. Should entrepreneurship be an elective or a compulsory course? Should students be allowed to choose entrepreneurship education themselves? These questions are very fundamental and must be addressed as quickly as possible.

Capacity Building Centres:In most institutions, centres for capacity building where the intending entrepreneur is made to have hands-on experience are not adequate, if they ever exist. Ironically, entrepreneurship is better appreciated practically than theoretical exposition.

Methodology

Research Design

The study utilizes analytical approaches which allows the use of econometric modeling of the variables.

Population of the Study

The population of the study encompasses the field of development economics.

Sampling Method and Sample Size

A random sampling approach was employed in data collection. In all, three variables were collected namely, literacy rate, unemployment rate, poverty level in Nigeria with scope spanning 2000-2018.

Method of Data Collection

All three variables employed for the study were secondary data sourced through historical method.

Method of Data Analysis

The study estimates a bivariate linear growth model as a function of literacy rate (a proxy for entrepreneurship education in Nigeria):

$$UNE_t = \alpha_0 + \beta_1 LTC + \varepsilon_t \dots \dots \dots (1)$$

$$PVT_t = \alpha_0 + \beta_1 LTC + \varepsilon_t \dots \dots \dots (2)$$

Where:

UNE = unemployment rate, PVT = poverty rate and LTC = literacy rate (a proxy for entrepreneurship education). A negative relationship is expected between the dependent and the explanatory variables.

Presentation of Results

(a). $UNE = 1.33 + 0.56LTC$
t-stat = (2.1)(2.6), DW = 2.0, $R^2 = 0.87$, F-stat – 4.5

(b). $PVT = 2.4 - 2.44LTC$
t-stat = (3.3) (1.2), DW = 1.8, $R^2 = 0.76$, F-stat = 3.2

The results in (a) is the model of unemployment rate in Nigeria for the period, 2000-2018. As indicated by the results, literacy rate (LTC) has a positive relationship with unemployment which means that an increase in literacy rate (entrepreneurship education) increases unemployment. The t-statistics of 2.6 shows that the variable is statistically significant an indication that the relationship is strong. Notably, a 1% increase in entrepreneurship education leads to 0.56% increase in unemployment or decrease in employment. The model reveals absence of serial correlation problem as evidenced by the DW statistics whose range of no auto correlation is 1.59-2.41. Likewise, the R^2 has a robust fit suggesting that 86% variation in unemployment is explained by the entrepreneurship education. Finally, the F-stat indicates that the model is statistically significant.

Similarly, (b) is a model of poverty level in Nigeria for the same period. Observably, the DW statistics of 1.8 falls in region of no auto correlation while F-stat shows a statistically significant model. Also, the R^2 of 0.76 indicates that 76% of changes in poverty level is explained by entrepreneurship education. It can be seen from the results that a negative relationship exists between poverty level and literacy rate (entrepreneurship education). However, this relationship is not significant as revealed by the t-statistics. For a variable to be statistically significant, the t-statistic will be 2 and above. Therefore, the t-stat of 1.2 in model (b) is statistically insignificant indicating that a change in entrepreneurship education has no reduction effect on poverty level.

Conclusions

The paper seeks to examine the extent at which entrepreneurship education affects economic growth in Nigeria for the period, 2000-2018. The paper uses literacy level as a proxy for entrepreneurship education and its impact was assessed on two indicators of growth namely unemployment and poverty levels. Utilizing a linear growth model, it was discovered that entrepreneurship education exerted significant positive impact on unemployment while no relationship was found in the case of entrepreneurship education and poverty level. The results therefore suggest that the teaching of entrepreneurship education in higher institutions in Nigeria is not effective. It has not enabled millions of graduates turn out yearly to be self-employed but instead continue to roam the cities seeking for non-existence jobs. The result is that unemployment continues to mount while poverty level shows no sign of abating. This argument is supported by data from Central Bank of Nigeria which indicated that unemployment level which stood at 10.4% in 2015 rose to 14.2% in 2016 reaching all-time high of 18.8% in 2017. Similarly, poverty level has risen over 70% within the same period. According to the World Bank data, over 70% of the Nigerian population lives on less than a dollar a day. On the basis of the finding, it is recommended that government should make the teaching of entrepreneurship education more effective by providing

relevant equipment. Also, government should ensure that funds are provided to young graduates on completion of their programmes to put their entrepreneurship knowledge to practice. Finally, Nigeria is yet to gain sound footing on entrepreneurship by reason of the absence of capacity building centres. It is therefore recommended that entrepreneurial development centres in each of the six geo-political zones of Nigeria should be established with adequate necessary inputs by government. This means that government educational policy should be entrepreneurial-oriented to stimulate young men and women in taking to entrepreneurship through teaching materials and well-equipped capacity building centres provided in the country's institutions.

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