

Entrepreneurial Development and Employment Generation in Nigeria (1990- 2015)

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Nigeria as a country has numerous businesses and investment potentials due to the abundant, vibrant and dynamic human and natural resources it possesses. Tapping these resources require the ability to identify potentially useful and economically viable fields of endeavors (Anyadike, Emeh and Ukah, 2012). Thus, entrepreneurship activities and innovative ingenuity in Nigeria have developed enterprises in the following areas: agricultural/agro-allied activities, where there are foodstuffs, restaurants, fast food vending; solid mineral, where there are quarrying, germ stone cutting/polishing and crushing engineering; information and telecom business, where there are manufacturing and repairs of Global System for mobile communication (GSM) accessories and the printing and selling of recharge cards; hospitality and tourism business, where there exists hotels, accommodation, resorts centers; oil and gas business, where there are construction and maintenance of pipelines, drilling, refining by products; environmental and waste management business, where we have refuse collection/disposal, recycling and drainage/sewage construction job; financial banking service, where there are banking, insurance and stock trading; engineering and fabrication work, here we have machine and tools fabrications as well as building and construction, where there are plans and design services and material sourcing; entertainment, where we have film and home video production, music production, comedy and talk shows, viewing centers, game houses; information technology, where we have internet blogging, online store, internet cybercafés/business centers, etc (Baba, Dickson and Kromtit, 2014). All these areas present vital investment opportunities for entrepreneurs in the country. Indeed, entrepreneurship has grown into a fascinating and interesting field of study world-wide,

given the present fact that increasing uncertainty and instability brought about by globalization and internationalization, competition and rapid technology change (Udu and Udu, 2015).

However, in spite all these human and natural resources, Nigeria is still one of the poorest countries in the world and has one of the highest rates of youth unemployment in Sub-Saharan Africa despite its alleged strong economic growth (Okoye-Nebo, Iloanyi and Udunze, 2014).

Before the advent of colonial government in Nigeria, unemployment was a rare phenomenon because people were highly entrepreneurial and productively engaged. The North had groundnut, the West had cocoa and the South were known for palm produce, in commonality, they were engaged in farming activities which made every person to be actively engaged and unemployment unknown. The Igbo ethnic groups were recognized internationally for its culture of entrepreneurship and enterprise development (Dana, 1995). The colonization of Nigeria with its administrative structure and as well, its associated engagement of most Nigerians into the white-collar job system of earning a living made it possible for the engaged to learn the Whiteman's way of living (Raimi,2010). Today, the demand for white collar jobs has increased more than the possible available job opportunities and that has created unexpected unemployment. For instance, the recruitment exercise conducted by the Ministry of Interior for the Nigeria. Immigration Service in March, 2014 attests to the fact that the rate of unemployment in Nigeria is alarming as over 520,000 people applied for 4,000 jobs (Emeaghalu, 2016).

Employment generation has over the years been widely recognized as major paths to socio-economic progress. Indeed, employment generation has been among the cardinal macro-economic objectives of most governments in developing world (Ogwumike, 2013). As noted by Seers (1972), growth accompanied by reduction in unemployment is one of the principal indicators of economic development. In Nigeria, the menace of unemployment and poverty cannot be over-emphasized. This twin problem has plagued the country especially from the mid-1980s to date. Unemployment rate in Nigeria increased to 7.50 percent in the first quarter of 2015 from 6.40 percent in the fourth quarter of 2014. Unemployment rate in Nigeria averaged 11.93 percent from 2006 until 2015, reaching an all-time high of 23.90 percent in the fourth quarter of 2011 and a record low of 5.30 percent in the fourth quarter of 2006 (National Bureau of Statistics, 2015). In April 2014, the former Coordinating Minister for the Economy and Minister of Finance, Dr. Ngozi Okonjo-iweala, quoting figures from the National Bureau of

Statistics (NBS) in Abuja stated that no fewer than 5.3 million youths are jobless while 1.8 million graduates enter the labor market every year. This figure is believed to be a conservative estimate of the actual number of unemployed youths in the country, going by previous statistics released by NBS, which put the number of jobless Nigerian at 20.3 million (NBS, 2012).

Unemployment has become a serious problem that must be tackled with sincerity of purpose to keep the nation's youths productively engaged and out of avoidable trouble. With 50 percent open unemployment, Nigeria is not sitting on a time bomb but as we can see, the bombs are exploding in scores through murderous insurgencies (Aremu, 2014).

Consequently, the strategies to adopt to tame the high rate of unemployment in the country become imperative. A nation's ability to generate a steady stream of business opportunities can only come about when its people take to entrepreneurial activities (Ihugba, Odii and Njoku, 2013). The need for entrepreneurial development in the country today is necessitated by the fact that entrepreneurial development is a major factor in economic growth and development and also the permanent cure for extreme hunger and poverty necessitated by unemployment. Entrepreneurship is something we ignore at our own peril. The experiences of developed economies in relation to the roles played by entrepreneurship cannot be overemphasized especially among the developing countries (Anyadike et al, 2012). Entrepreneurship has been variously referred to as a source of employment generation. This is because entrepreneurial activities have been found to be capable of making positive impacts on the economy of a nation and the quality of life of the people (Adejumo, 2000). Studies have established its positive relation with stimulation of economic growth, employment generation and empowerment of the disadvantaged segment of the population, which include women and the poor (Oluremi and Gbenga, 2011).

Indeed, entrepreneurship has grown into a fascinating and an interesting field. We are certainly not unmindful of government's efforts to create jobs. However, programmes such as the Youth Empowerment Scheme (YES), the Youth Enterprise with Innovation in Nigeria (YouWin), National Economic Empowerment and Development Strategy (NEEDS), the National Open Apprenticeship Scheme (NAOS), the Better Life, Family Support, Family Economic Advancement Programme (FEAP), National Directorate of Employment (NDE), the National

Poverty Eradication Programme (NAPEP), etc. However, the results of these programmes to create employment have remained terribly unimpressive (Emeaghalu, 2016).

The great need for entrepreneurial development in Nigeria today, more than ever, is necessitated by the rate of unemployment and its effect on both the people and the nation. The extent to which the Government of Nigeria has created jobs and generated employment through entrepreneurial initiatives calls for the present study.

1.2 Statement of the Problem

In spite of the fact that entrepreneurial development has been regarded as the bulwark for employment generation, poverty reduction and technological development in Nigeria, the sector nevertheless has had its own fair share of neglect. This is as a result of over-reliance on crude oil by the Nigerian government which consequently, had accompanying unpleasant consequences on economy which includes pronounced open unemployment, underemployment and high incidence of poverty. In Nigeria, the menace of unemployment cannot be over-emphasized. This problem has continued to plague the country especially from the mid-1980s to date. These problems initially led to the introduction of a macroeconomic stabilization package in 1981 and later to various rounds of budget – fighting austerity measures between 1981 and 1985. Despite these measures and other incentives, policies, programmes and support, the problems apparently remained unabated. The nature of Nigeria's employment problems epitomized by the passive imbalance between job creation expectation and opportunities for the increasing pool of educated unemployed and underemployed rising to a number of important and challenging policies for which answers based on a robust and sound quality framework must be sought. Unfortunately, Nigerians are beginning to realize that the white collar jobs are not enough and that crude oil no longer creates jobs in the economy as a result of the recent free fall in oil prices whose implication has led to exchange rate volatility, savings stagnation, debt spiking, capital expenditure threat and unemployment which the Nigeria Bureau of Statistics in its first quarterly report of 2015 has already placed unemployment rate to have jumped to 7.5 percent in the first quarter of the year 2015. These problems have led unemployed graduates to consider entrepreneurship in the form of vocational enterprises and small and medium scale enterprises (SMEs) by resorting to the skills which they acquired through entrepreneurial education in

school as solution to the persistently increasing poverty and unemployment which would in turn led to economic growth and development. These steps however have faced a lot of constraints which ranges from political instability, under capitalization with difficulty to obtain bank credit, lack of adequate youth empowerment scheme, decaying infrastructure, corruption, lack of technical know-how, and enabling environment through tax exemptions. As opined by Okoye, Iloanya and Udenze (2014), the need for entrepreneurial development in the country today is necessitated by the fact that entrepreneurship development is a major factor in economic growth and business development and also a permanent cure for extreme hunger and poverty necessitated by unemployment. Entrepreneurship, when and if gallantly developed in Nigeria will take its pride of place in quelling unemployment and thus generating employment among Nigerian youth especially the graduates and once again, place the economy on a proper footing. There has not being any clear study on entrepreneurial education tailored towards skill and vocational development, job creation and youth empowerment. It is in this respect this study seeks to investigate the connection between entrepreneurial development and employment generation in Nigeria.

1.3 Objectives of the Study

The broad objective of the study is to justify the linkage between entrepreneurial development and employment generation in Nigeria. However, the specific objective is:

- ✓ To ascertain the extent of relationship between Entrepreneurial Education and Unemployment Reduction in Nigeria.

1.4 Research Questions

- ✓ What is the extent of relationship between Entrepreneurial Education and Unemployment Reduction in Nigeria?

1.5 Research Hypotheses

H_i There is a significant relationship between Entrepreneurial Education and Unemployment Reduction in Nigeria

1.7 Significance of the Study

The study will be of immense benefit to an economy like Nigeria in the sense that generation of productive employment opportunities through entrepreneurship development is obviously the key to rapid and sustainable economic development. The practice of entrepreneurship is the bone of employment generation and job creation in Nigeria. Therefore, the study will be significant to the youths in Nigeria who is almost losing out in life due to the pains of unemployment.

It would also be of help to the Government of Nigeria who would benefit if more job opportunities are created as a result of the implementation of the study. Again, the result when implemented would generate more revenues to the government through taxes and relief them of the endemic impact, unemployment poses to the economy.

The study would also be of great importance to entrepreneurs as a guide in business, in addition, the study will as well serve as a literature for further studies and will serve as a useful guide in entrepreneurship, the policy makers in the country will find it useful also in making decisions.

Finally, the study would make entrepreneurship business more effective and efficient in the cause of carrying out the business activities.

1.6 Scope of the Study

The study is focused on Entrepreneurial Development and Employment Generation in Nigeria. The research covers a period of 26 years from 1990 to 2015.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Conceptual Review

Entrepreneur is derived from the French word 'entrepredre' which means to initiate or take action. The French used it to describe contractors holding projects like roads and bridges (Musa, 2010). An entrepreneur has been variously defined by different authors to mean many things since the middle of ages (Igbo, 2006).

Williams, James and Susan (2002) see entrepreneurship as accepting the risk of starting and running a business. They note that entrepreneurship is the ability and willingness of an individual to create and build something that is virtually none existing.

An entrepreneur according to Hussein, Bhuiyan and Baker (2014) is defined as the identification of a new business opportunities and the mobilization of economic resources to initiate a new business or regenerate an existing business, under the conditions of risk and uncertainties for the purpose of making progress under private ownership.

Timmons and Spinelli (2014) see entrepreneurship as the function of being creative and responsive within and to the environment.

Aina and Salako (2008) describe entrepreneurship as the willingness and ability of an individual to seek out investments opportunities and take advantage of scarce resources to exploit the opportunities profitably.

The National Directorate of Employment, (NDE 1989) in Onyebueke and Ochnongo (2002), see entrepreneurship to be an art which involves recognizing a business opportunity, mobilizing resources and persisting to exploit that opportunity.

Entrepreneurship is more than simply "starting a business". It is a process through which individuals identify opportunities, allocate resources and create value. This creation of value is often through the identification of unmet needs or through the identification of opportunities for change (Anyadike et al, 2012). Entrepreneurs see problems as opportunities and then take actions

to identify the solution to those problems and the customers will pay to have those problems solved.

As opines by Ossai (2008), entrepreneurship is the process of creating some new or different values by devoting the necessary time, assuming the accompanying financial, psychic and social risks, and receiving the resulting rewards of most personal satisfaction. Acs and Szerb, (2007), opine that entrepreneurship revolves around the realization of decision to commercialize them by starting a new firm.

An entrepreneur is someone who brings things like money, materials and labour together in new business, productive process or improved organization to ensure business success by perhaps creating something new.

To Nwangwu (2007), it is the process of bringing together factors of production, namely: land, labour and capital to provide goods or services for public consumption.

Ezegbe, Eskay and Anyanwu, (2013) see entrepreneurship as a state where an individual gainfully employs his/her skills, attitude and cognitive abilities to earn a living as well as help others around him to earn same. In line with this, Oviawe, (2010) notes that entrepreneurship is acquisition of skills and ideas for creating employment for oneself and others.

Ogundele (2005) defines entrepreneurship as the process of emergence, behavior and performance of entrepreneurs. He notes that a focus on entrepreneurship is a focus on the processes involved in the initiation of a new organization, the behavior of such organization and its performance in terms of profit made. Although, each of these definitions or description views entrepreneurs from a slightly different perspective they all contain similar notions, such as risk-taking, organizing, creating wealth, initiative and newness. These common elements can be rephrased in the manner done by Dollinger (2006), as:

- i) Creativity and Innovating
- ii) Resource gathering and the founding of an economic organization.
- iii) The chance to gain or increase under risk and uncertainty.

Simply put, entrepreneurs are those who have insatiable desire for accomplishment of anything that fascinates their minds (idea) which requires single mindedness and an obstinate refusal to give up; even when the situation looks impossible.

2.1.1 Characteristics of an Entrepreneur

Some of the important characteristics attributable to successful entrepreneurs according to Okoli and Okoli (2013) include:

- 1) Self Confidence: Confidence, independence, individuality and optimism. They tend to believe strongly in themselves and their ability to achieve goals.
- 2) Task-Result Oriented: Need for achievement, profit oriented, persistence, determination, hard work, drive and initiative.
- 3) Risk Taker: Risking taking, likes challenges.
- 4) Leadership: Leadership behaviour, get along well with others, responsive to suggestions and criticisms.
- 5) Originality: Innovative, creative, flexible, resourceful, versatile and knowledgeable.
- 6) Future oriented foresight and perspective.

Entrepreneurial Development has been conceived by successive government as a programme of activities to enhance the knowledge, skill, behavior and attitudes of individuals or group who seek to assume the role of an entrepreneur (Osemeke, 2012).

Shepherd and Douglas,(1997) in Akanwa and Akpanabia, (2012) observe that entrepreneurship development is the ability to envision and chart a course for a new business venture by combining information from the functional disciplines and from the external environment in the context of the extraordinary uncertainty and ambiguity which faces a new business venture.

Entrepreneurial development has been found to be capable of making positive impacts on the economy of a nation and the quality of life of the people (Adejumo, 2000).

In the 20th century, the understanding of entrepreneurship owes much to the work of economist Joseph Schumpeter in the 1930s and other Austrian economist such as Carl Menger, Ludwig Von Mises and Fredrick Von Hayek.

2.1.2 Entrepreneurial Development Strategy

As opine by Hussain, Bhuiyan and Baker (2014), entrepreneurial development strategies include:

- A. **Alleviating Poverty through Entrepreneurship Education:** Entrepreneurial education seeks to provide students with the knowledge, skills and motivation to encourage entrepreneurial success in a variety of settings. According to Hussain et al (2014), Entrepreneurship education is known as a specialized knowledge that inculcates in learners,

the traits of risk taking, innovation, arbitrage and co-ordination of factors of production for the purpose of creating new products or services for new and existing users within human communities. Paul (2005) stated that the objective of entrepreneurship education among others are to

- i. Offer functional education that will enable the young to be self-employed and self-reliant
- ii. Provide the youth graduate with adequate training that will help them to be creative and innovative in identifying novel business opportunities.
- iii. Reduce high rate of poverty.

B. Alleviating poverty through small and medium enterprise (SMEs): Small Medium Scale Enterprise (SMEs) has proved to be a major intervention in resolving countries. SMEs in Nigeria are seen as the backbone of the economy and a key source of economic growth, dynamism and flexibility (Agwu and Emeti 2014). The definition of SMEs depends on the purpose those definitions are required of SMEs depends on the purpose those definitions are required to serve and the policies which govern the SME sector (Ayanda and Laraba 2011). According to Jamodu (2000), Small and Medium Scale Enterprise is defined on the basis of employment, in Micro/Cottage Industries (1-10 workers), Small Scale industries (11- 100 workers), Medium Scale Industries (101-300 workers) and Large Scale Industries with (301 and above). Small and Medium Scale Enterprise has been considered as the engine of economic growth, the main driving force behind job creation and poverty alleviation. Oregwu (2013) posits that poverty is a living condition in which an entity is faced with economic, social, political, cultural and environmental deprivation. It is a state of involuntary deprivation to which a person, household, community or nation is subjected to. Successive governments in Nigeria have in the last three decades shown much interest in ensuring adequate financing for Small and Medium Enterprise (SMEs) by establishing various schemes and specialized financial institutions to provide appropriate financing to the sub sector (Sanusi, 2003).

C. Alleviating Poverty through Social Entrepreneurship: Social Entrepreneurship is defined as entrepreneurial activity with an embedded social purpose. Social entrepreneurship is

perceived to be about applying the expertise talent and resource of entrepreneur to the variety problems developing countries face such as education, health, personal safety and security, poverty alleviation, social advancement, environmental sustainability and so forth (Ibrahim, 2011). Social entrepreneurship combines the resourcefulness of traditional entrepreneurship with a mission to change society.

D. Alleviating Poverty through Women Entrepreneurship: Entrepreneurship is today considered to be a relevant vehicle for economic development and women contribute to it significantly worldwide. Pareek (1992) defines women entrepreneur as a female who plays a captivating part by repeatedly interacting and keenly adjusting herself with financial socio-economic and support spheres in society. Women produce over 80 per cent of the food for Sub Sahara Africa 50-60 per cent for Asia 26 per cent for the Caribbean, 34 per cent for Latin America (Ali and Ali, 2013) Today women entrepreneur contribute numerous ideas and a great deal of energy capital resources to their communities and generate jobs as well as create additional work for suppliers and other spin off business linkage (Iyiola and Azuh, 2014).

2.1.3 The Concept of Unemployment

Every economy is characterized by both active and inactive populations. The economically active ones refer to the population willing and able to work, and include those actively engaged in the production of goods and services and those who are unemployed are regarded as inactive, Akanwa and Akpanabia, (2012).

According to Douglass and Gbosi, (2006), unemployment is the difference between the amount of labour employed at current wage levels and working conditions and the amount of labour not hired at these levels. However, he defined employment as a situation in which people who are willing to work at the prevailing wage rate are able to find jobs. Unemployment is a social phenomenon that is affecting human societies, particularly the developing nations of Africa (Baba, Dickson and Kromtit, 2014). Casson, (1979) views an unemployed person as someone who is actively seeking a job of certain specification and would be willing to accept such a job if it were offered at prevailing market wage.

2.2 Theoretical Framework

This is anchored on Joseph Schumpeter's Theory of Entrepreneurship (1934). This theory introduces the entrepreneur from a neoclassical perspective, viewing the entrepreneur as someone who is driven by profit and a capitalist, a risk bearer and a creative innovator. Thus, Schumpeter describes that when innovation occurs, an entrepreneur is present in any institutional system. According to Schumpeter, when these innovations occur, the world economies develop and the entrepreneur emerge to make changes in the institutional system, adding to the theory that the entrepreneur is a socially distinct individual.

The process of entrepreneurship activities reducing unemployment situation in the economy is termed "Schumpeter effect". Garofoli (1994) and Audretsch and Fritsch (1994) in their separate studies find that unemployment is negatively related to new-firm startups, that is, as new business is established, employability is stimulated and unemployment reduces substantially. Unemployment and entrepreneurship have been wrapped in an ambiguous relationship. It is generally recognized that there is a bi-directional causal link between changes in the level of entrepreneurship and unemployment, while doing business, a "Schumpeter Effect" helps to reduce unemployment, Ali, Hafiz and Umar, (2014). In the same vein, Lucas (1978) and Jovanovic (1982) note that high unemployment in the society is associated with a low degree of entrepreneurial activities, that is, where propensity to set up enterprises is low, the rate of unemployment would be very high. The implication of the above assertion is that those who are unemployed tend to remain so because they possess lower endowment of human capital and entrepreneurial talents required to start and sustain new firms to keep them going. A low rate of entrepreneurial culture and skills in any society may be a consequence of low economic growth, which also reflects higher level of unemployment (Oladele et al, 2011). Entrepreneurial opportunities have not only become a part of push effect of unemployment but also they showed the pull effect (Saleh, Fargadi and Mohammed, 2011). Entrepreneurship is a major factor in economic growth and development and also a permanent cure to extreme hunger and poverty necessitated by unemployment (Ogwumike, 2013).

According to Ali et al, (2014), Schumpeter Effect is a negative relationship that occurs when number of entrepreneurships is increased in the economy, it would have a negative effect on unemployment by decreasing the rate of unemployment in that economy.

2.3 Empirical Review

Akhuemonkhan and Raimi, (2013) examined the plausibility of deploying entrepreneurship education as mechanism for employment situation in Nigeria. They adopt quantitative research method, specifically linear multiple regression model (LMRM) for analyzing the data. They found that entrepreneurship development is a key tool for poverty reduction, stimulating employment as well as fast-tracking realization of universal primary education and promoting gender equality. They recommended that institutions must intensify the integration of entrepreneurship in education system.

Baba, Dickson and Kromtit (2014), carried out research on entrepreneurship and employment generation in Nigeria. To access the impact of entrepreneurship development on unemployment reduction in Nigeria using the National Directorate of Employment (NDE) as a case study. The study employed the Augmented Dickey Fuller Unit Root Test in sieving the data series to avoid spurious results. They concluded that entrepreneurship has a significant impact on employment generation in Nigeria.

Tende in 2013 examined governments initiatives towards entrepreneurship development in Nigeria and evaluated the job creation capacity of the entrepreneurship development programmes on Nigerians found that government credit policies have no significant effect on the development of entrepreneurial activities in the country and mostly the beneficiaries do not derive maximum satisfaction from government programmes and policies.

Ezegbe, Eskay and Anyanwu (2013) carried out research work on the relevance of entrepreneurship education in alleviating poverty among Nigeria youths and the issues and challenges inherent in the implementation of entrepreneurial education in Nigeria universities. The study revealed that entrepreneurship education did not affect the rate of increase in poverty. They concluded that government introduced entrepreneurial education in both tertiary and unity secondary school curriculum. This program, through worthwhile, may not fully actualize its lofty objectives because of certain challenges it is facing.

Opafunso and Adepoju, (2014) examined the impact of Small and Medium Scale Enterprises on economic development in Ekiti state. Survey research design was adopted to obtain data from

150 respondents comprising of traders, artisans, production factories and other small and enterprises. Their findings revealed that there is a positive and significant relationship between SMEs and poverty reduction, employment generation and improvement in standard of living of people in Ekiti state. The study concludes that access to capital funding by reduction in the interest rate on loan offered by banks can boost the performance of SMEs in Ekiti state and Nigeria at large.

Taiwo, (2014) carried out an empirical research on impact of entrepreneurship development on job creation in Nigeria. He found out that in any giving economy, entrepreneurship development always give birth to job creation which will force people to do something that will better their lives and the country at large. He evaluated the relationship between job creation and entrepreneurship development in Nigeria. It was clear from his observation that job creation or employment opportunity in an economy can be traceable to entrepreneurship training and development.

Akanwa and Akpanabia (2012) examined the need for promoting employment in Nigeria through the development of entrepreneurship. The work relies mostly on secondary data from scholars/authors in the field. They concluded that, government and its agencies should deliberately encourage entrepreneurial culture and skill in Nigeria in order to attack and eventually reduce the high level of unemployment situation in the country so that the nation will boost its economic development.

Okoye, Iloanya and Udunze (2014), carried out research on the extent to which entrepreneurship in Nigeria has helped to reduce youth unemployment. The study revealed that government policies and initiative has affected the “transformation question”. This is due to the increase of corruption, inadequate and maladministration. They concluded that entrepreneurship country is an engine for job creation, innovation and diversity and that Nigeria’s entrepreneurs have a long way to go before they can effectively drive changes in the economy. They recommend that government should genuinely recognize the essence of entrepreneurship to economic development by providing the enabling environment for youth to be gainfully employed for economic development.

Asad, Ali and Islam (2014), examined the need to reduce unemployment through entrepreneurship in Pakistan. The regression results indicate that 91 percent variations in entrepreneurship development have been explained by the explanatory variations in variables. The unemployment rate has been found to be negatively related to entrepreneurial development. High rate of unemployment has been associated with low level of entrepreneurial development in economy of Pakistan.

2.4 Summary of Review of Related Literature

Opafunso and Adepoju (2014) examined the impact of small and medium scale enterprises on economic development of Ekiti state, Nigeria. The study concludes that access to capital funding by reducing the interest rate on loan offered by banks can boost the performance of SMEs in Ekiti state and Nigeria at large. The government however places little importance on SME development in Nigeria and this has in turn, affected entrepreneurial development in Nigeria.

Taiwo (2014), found out that in any giving economy, entrepreneurship development always give birth to job creation. However, Taiwo's view may be true but not in all circumstance especially as most entrepreneurial organization do not engage people other than the owner and some apprentices.

Okoye, iloanya and Udunze (2014), recommended that government should genuinely recognize the essence of entrepreneurship to economic development by providing the enabling environment for the youths to be gainfully employed for economic development. On the contrary the government doesn't recognize the importance of entrepreneurship to economic development and do little or nothing to improve entrepreneurial development.

Gap in Knowledge

All the studies reviewed showed a negative relationship between entrepreneurship and employment generation. To the best of our knowledge, works that have adequate empirical

investigation on entrepreneurial development and employment generation in Nigeria till the year, 2015 are very sparse.

This study stands to validate or nullify the findings of previous researchers or the problem identified using the most current information available in the selected sector. This study therefore intends to fill the gap in the literature by showing a positive relationship between the dependent and independent variables

CHAPTER THREE

METHODOLOGY

3.1 Research Design

Research design is a plan or blueprint which specifies how data relating to a given problem should be collected and analyzed (Onyeizugbe, 2013). The study adopted correlational survey; this type of study seeks to establish what relationship exists between two or more variables. Usually such studies indicate the direction and magnitude of relationship between the variables (Nworgu, 2006). The study used time series data from the period 1990-2015.

3.2 Method of Data Collection

The study used only secondary data. These data were sourced from Central Bank of Nigeria Statistical Bulletin Publications from National Bureau of Statistics, Internet, Articles, Journals and World Bank Publications.

3.3 Method of Data Analysis

The study utilized the Ordinary Least Square (OLS) method of analysis. This statistical tool seeks to establish the strength or degree of association between the dependent and independent variables. EVIEW 7 software was used for the analysis.

3.4 Model Specification

- ✓ **3.4.1 Entrepreneurial Education Equation:** To ascertain the extent of relationship between Entrepreneurial Education and Unemployment Reduction in Nigeria.

$$ENEDU = f(GDP, CAPU, UNEM, POV) e_t \dots \dots \dots (i)$$

This model is restated in econometric form as follows:

$$YES = a_0 + a_1 LGDP + a_2 LCAPU + a_3 LUNEM + a_4 LPOV + e_t \dots \dots \dots (ii)$$

Where:

e_t = Stochastic or error term

LYES = Log of Youth Empowerment Scheme

LGDP = Log of Gross Domestic Product

LCAPU = Log of Capacity Utilization

LUNEM = Log of Unemployment

LPOV = Log of Poverty Level

Regression Result

Dependent Variable: ENEDU

Method: Least Squares

Date: 04/29/16 Time: 15:33

Sample: 1990 2014

Included observations: 26

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2014730.	482500.0	4.175606	0.0005
UNEM	1313.814	774.3820	1.696597	0.0451
CAPU	-38390.06	9419.019	-4.075802	0.3206
GDP	3.751165	6.920663	0.542024	0.0538
YES	-578.3650	576.6685	-1.002942	0.0279

R-squared	0.868101	Mean dependent var	47249.86
Adjusted R-squared	0.841721	S.D. dependent var	41171.41
S.E. of regression	16379.75	Akaike info criterion	22.42234
Sum squared resid	5.37E+09	Schwarz criterion	22.66611
Log likelihood	-275.2792	Hannan-Quinn criter.	22.48995
F-statistic	32.90776	Durbin-Watson stat	1.181671
Prob(F-statistic)	0.000000		

	CAPU	ENEDU	GDP	UNEM	YES
Mean	51.66400	47249.86	1539.160	11.85200	9.407200
Median	51.40000	31563.80	1501.000	12.70000	7.490000

Maximum	52.80000	109455.2	2908.000	23.90000	39.76000
Minimum	50.60000	653.5000	431.0000	1.900000	0.120000
Std. Dev.	0.670746	41171.41	558.2701	7.478587	10.61731
Skewness	0.194516	0.120691	0.481892	0.033755	1.290891
Kurtosis	1.653225	1.240427	3.326150	1.622532	4.114117
Jarque-Bera	2.047029	3.285792	1.078388	1.981224	8.236305
Probability	0.359330	0.193419	0.583218	0.371349	0.016275
Sum	1291.600	1181247.	38479.00	296.3000	235.1800
Sum Sq. Dev.	10.79760	4.07E+10	7479971.	1342.302	2705.454
Observations	26	26	26	26	26

3.5 DISCUSSION OF FINDINGS

The Regression equation shows that

$$\text{ENEDU} = 2014730 + 1313.814\text{UNEM} - 38390.06\text{CAPU} + 3.751164\text{GDP} - 578.3650\text{YES}$$

Entrepreneurial Education is regressed on unemployment (UNEM), Capacity Utilization (CAPU), Gross Domestic Product (GDP), and Youth Empowerment Scheme (YES).

Model is significant at 0.05%. The estimated coefficient of the constant term is 2014730 and it is statistically significant at 0.0 percent. The coefficient of Unemployment carries a positive sign and is statistically significant at 0.04 percent which implies that Entrepreneurial Education had a significant effect on Unemployment in Nigeria.

The coefficient of Youth Empowerment Scheme carries a negative sign and is statistically significant at 0.02 percent. This implies that Entrepreneurial Education affected the rate of application for Youth Empowerment Scheme in Nigeria.

The coefficient of Gross Domestic Product (GDP) carries a positive sign and is statistically significant at 0.05 percent. This implies that Entrepreneurial Education contributed to the growth of the economy's Gross Domestic Product (GDP).

The coefficient of capacity utilization carries a negative sign and is statistically not significant at 0.3 percent. This implies that Entrepreneurial Education did not affect the rate of capacity utilization in the economy.

The coefficient of R- Square (R^2) is 86 percent indicating a high casual relationship between the dependent variables and independent variables.

Adj. R^2 is 84 percent shows that all the variables are correlated. The value of Durbin-Watson Statistics (1.181671) is greater than the R^2 (0.868101). This means that there is no case for autocorrelation in the model and the result is respectable.

3.6 SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Summary of the Findings

The study showed that there was a significant positive relationship between Entrepreneurial Education and Unemployment Reduction in Nigeria.

Conclusion

There is a strong positive nexus between Entrepreneurial Education and Unemployment Reduction in Nigeria as made evident by the result of the regression analysis carried out in this research. The implication of this is that as the level of education and enlightenment which includes training and development has gone a long way to reduce the level of unemployment in Nigeria.

Recommendation

Sequel to the conclusion above, the researcher makes the following recommendation:

- i. Since it has been proven that Entrepreneurial Education reduces the level of unemployment in Nigeria, the government should increase their effort in providing more entrepreneurial education programs and ensure that adequate

training is given to the unemployed population to increase their entrepreneurial drive.

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