

# The Role of Entrepreneurial Education in Enhancing the Nigerian Economy

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**Abstract:-** Education in Nigeria is devoid of the crucial element to averting the surging rate of unemployment in the country. Unemployment prevails in the country because the educational system itself fails to empower the ones passing through it. The educational methodology needed in Nigeria is one which helps to develop an individual's mindset, behaviour, skills and capabilities and can be applied to create value. Focusing on the development of a skilled workforce and the expansion of human capacities through high-quality systems of entrepreneurship education and skills acquisition is important for helping youths and graduates find good jobs and enterprises find skilled workers they need. This paper discusses the effect of entrepreneurial education in reducing unemployment in Nigeria. It also highlights the role of entrepreneurial training in early education as a means of developing entrepreneurial skills in Nigerian youths. The challenges of existing entrepreneurial programmes in Nigeria were discussed, and suggestions made on how to surmount these challenges.

## I. INTRODUCTION

Education is widely recognized as one of the most critical means of defeating the challenges of development, poverty, and inequality. Most developing countries, however, have a very poor quality of education which does not actively encourage students to think on their own and take on responsibilities but instead focuses on rote learning. This method of education does not develop a creative mindset and has greatly hampered the significance of education as a tool for personal development.

Entrepreneurship is a crucial driver of social and economic growth for both the developed and developing nations (Vanand Versloot, 2007). Previously, there has been a complete absence of enterprise education in the educational system, and our educational institution remained factories for producing white-collar job seekers with no special professional or entrepreneurial skill. It is important, therefore, to include enterprise education in our educational institutions to reduce the increasing rate of unemployed graduates. Entrepreneurship education is the key to economic sustenance. This paper highlights the role of entrepreneurial education in enhancing sustainable development in Nigeria.

## II. UNEMPLOYMENT IN NIGERIA

Nigeria has depended on oil as its major source of revenue for years. The oil industry is highly capital-intensive and employs only a tiny fraction of the population, leaving a lot of youths

unemployed. These unemployed youths get involved in militancy, terrorism and other vices. The future of Nigeria depends on the economy of its youths, which is possibly the most lucrative resource of the country. Nigeria needs to develop the infrastructure that will strengthen its economy. She has to diversify away from oil and focus on sectors that will encourage youth employment.

The 2010 Global Monitoring Report (GMR) of the United Nation Education, Scientific and Cultural Organisation (UNESCO), revealed that about 92 per cent of Nigerian population survive on less than 2 dollars daily, while about 71 per cent survives on less than 1 dollar daily. This condition has worsened as crude oil prices reduced. The youth unemployment rate in Nigeria increased from 14.46% in the last quarter of 2015 to 16.39% in the first quarter of 2016 (Figure 1).

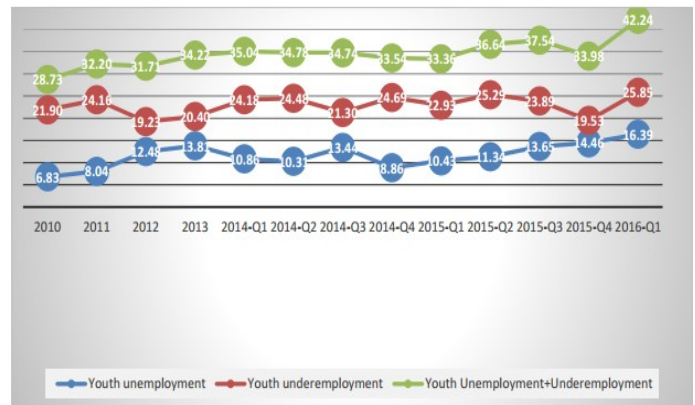


Figure 1: Youth Unemployment and Underemployment 2010-Q1 2016.  
Source: National Bureau of Statistics.

The biggest drivers of Nigeria's current youth unemployment include lack of jobs, lack of skills and experience, the mismatch between supply and demand for labour, and numerous barriers to youth entrepreneurship (Araba, 2012). About 32.6% of unemployed youths are graduates (Table 1) turned out from about 150 Universities and 50 Polytechnics and Monotechnics. These graduates are not self-reliant but solely dependent on white-collar jobs for sustenance. There is, therefore, the urgent need for these youths to learn how to be self-reliant and create jobs for themselves.

Table 1: Labour Statistics, 1<sup>st</sup> Quarter 2016. Source: National Bureau of Statistics.

	LABOUR FORCE POPULATION	Work 40 Hrs+	Work 20-39 Hrs	Work 1-19 Hrs	Work 0 Hr (Did nothing)	Total Unemployed	UNEMPLOYMENT RATES			Under Employment Rate
		Fully Employed	Under-employed	Unemployed	Unemployed		OLD Nigeria	NEW Nigeria	International	
All Groups	78,486,570	53,977,958	15,023,327	4,436,077	5,049,207	9,485,284	31.2	12.1	6.4	19.1
<b>Educational Group</b>										
Never Attended	23,576,409	15,552,910	5,107,269	1,504,911	1,411,320	2,916,231	34.0	12.4	6.0	21.7
Below primary	524,719	396,034	45,423	34,525	48,736	83,261	24.5	15.9	9.3	8.7
Primary	15,484,657	11,975,243	2,199,767	651,169	658,478	1,309,647	22.7	8.5	4.3	14.2
Secondary	28,103,917	18,779,729	5,678,588	1,671,108	1,974,493	3,645,601	33.2	13.0	7.0	20.2
Post Secondary	10,796,868	7,274,043	1,992,281	574,364	956,180	1,530,545	32.6	14.2	8.9	18.5

### 2.1 The Concept of Entrepreneurship

The concept of entrepreneurship was first established in the 1700s, and the meaning has evolved ever since. Many simply equate it with starting one's own business. Most economists believe it is more than that. Kent (1990) described entrepreneurship as a process of creative change which may or may not result in the formation of a new business. Entrepreneurship has been captured as the use of human courage to seek investment opportunities and establish a profit-oriented enterprise (Ikeme and Onu, 2007). Industrial development in any region is the outcome of purposeful human activity and entrepreneurial thrust. If a country wants to achieve growth at the grass-root level, it will have to promote entrepreneurship development. The problems facing the Nigeria which includes acute poverty, youth and graduate unemployment, dependence on foreign goods and technology; to very low economic growth and development has prompted government's introduction of entrepreneurial studies in the educational system, especially in tertiary institutions.

The entrepreneur is one who is willing to bear the risk of a new venture if there is a significant chance for profit. He is an innovator that develops new goods or processes that the market demands and is not currently being supplied. He develops and owns his own enterprise and risks working under uncertainty to achieve his goal. He is innovative and peruses the different pursuits to reflect a strong urge to be independent. He persistently tries to do something better and exhibits a sense of leadership and competitiveness. An entrepreneur by implication is one who ventures out to optimize unexploited resources, prefers change as a means of growth and is prepared to take calculated risk to achieve his goals. The entrepreneur directs the application of acquired

knowledge to the production of goods for human consumption.

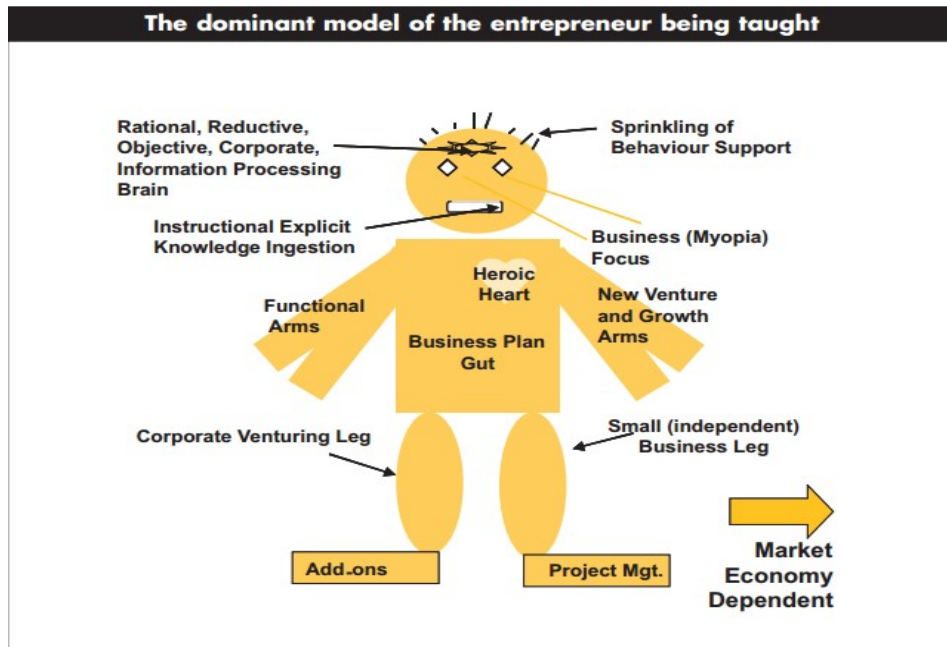
There is a strong relationship between entrepreneurship and economic growth. For a country to maintain its social model, it needs more economic growth, new firms, innovative entrepreneurs and more high-growth Small and Medium-scale Enterprises (SME). Leibenstein (1968) noted that in the presence of market imperfections, entrepreneurs are needed to search, discover, and evaluate opportunities, marshal the financial resources necessary for the enterprise, make time-binding arrangements, take ultimate responsibility for management, and be the ultimate uncertainty and/or risk bearer. The entrepreneur identifies and profits from a situation of disequilibrium by improving on market inefficiencies or deficiencies (Kirzner, 1973). Moreso, new opportunities emanate from the insights of entrepreneurs (Holcombe 1998).

### III. ENTREPRENEURSHIP AND EDUCATION

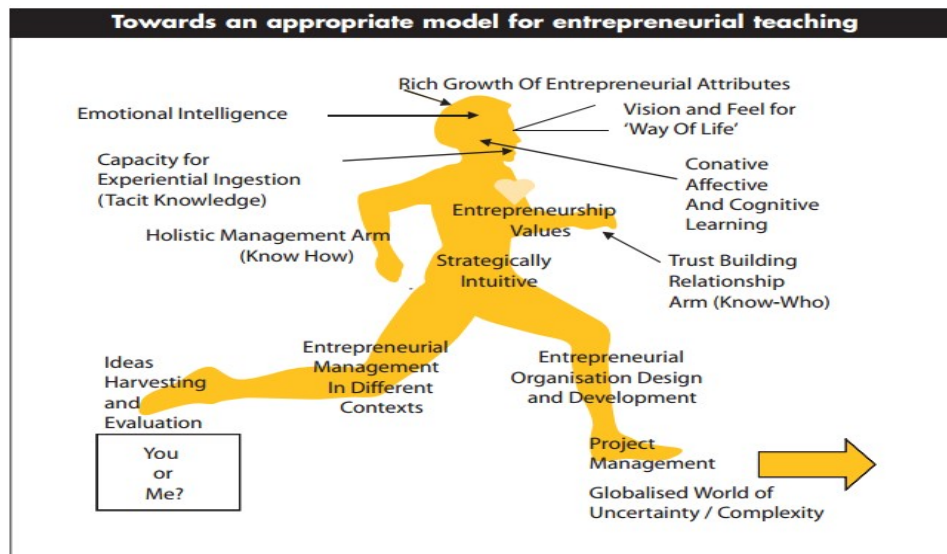
The education system is the primary developer of human resource, and it plays a critical role in the economic advancement of nations. The growth of an economy is a reflection of the quality of human resources and by extension, the quality of education in that economy. Entrepreneurship also is a key driver of the economy's wealth. Majority of jobs are created by small businesses started by entrepreneurially minded individuals, many of whom go on to create big businesses. Entrepreneurship is associated with diversity among individuals, having different interests, opinions and qualities with which they create opportunities from an uncertain environment. These diversities are considered valuable because variety is important for the functioning of modern societies (Verheul and Thurik, 2001).

Traditionally, the educational system has inhibited the development of entrepreneurial qualities because it taught young people to obey, reproduce facts and to engage in wage employment after finishing their education. Most educational systems rely on uniformity among students and an environment characterized by a high level of certainty, thereby hampering personal development. In contrast, entrepreneurs tend to rely on their own judgement, learn through the process of trial and error and create their own job environment. The focus in the educational system is on

analytical thinking rather than on creative thinking (Kourilsky, 1990). Creative thinking refers to being open to new possibilities, while analytical thinking is aimed at explaining facts leading to fixed answers. Gibb (2005) advised that the manner in which entrepreneurship is taught should be altered from the traditional static model of entrepreneurship which is no longer applicable to the modern business environment, to a dynamic model of entrepreneurship with a range of behavioural attributes that need to be developed (Figure 2).



(a) Static model



(b) Dynamic model

Figure2: Different Models for Teaching Entrepreneurship: (Gibb, 2005)

Different meanings are ascribed to entrepreneurship education in several institutions in Nigeria. Some institutions present entrepreneurship education programmes in the context of vocational and technical education rather than developing the skills of entrepreneurship. It is acknowledged that there are people with innate entrepreneurship abilities; however, entrepreneurship is a skill that can be learned. Cooney(2012)

grouped the skill-sets required to be an entrepreneur into three groups: Entrepreneurship Skills, Technical Skills and Management Skills (Figure 3). The level of education and training required to develop each of these skills is dependent upon the level of human capital the individuals already possess before the entrepreneurial training.

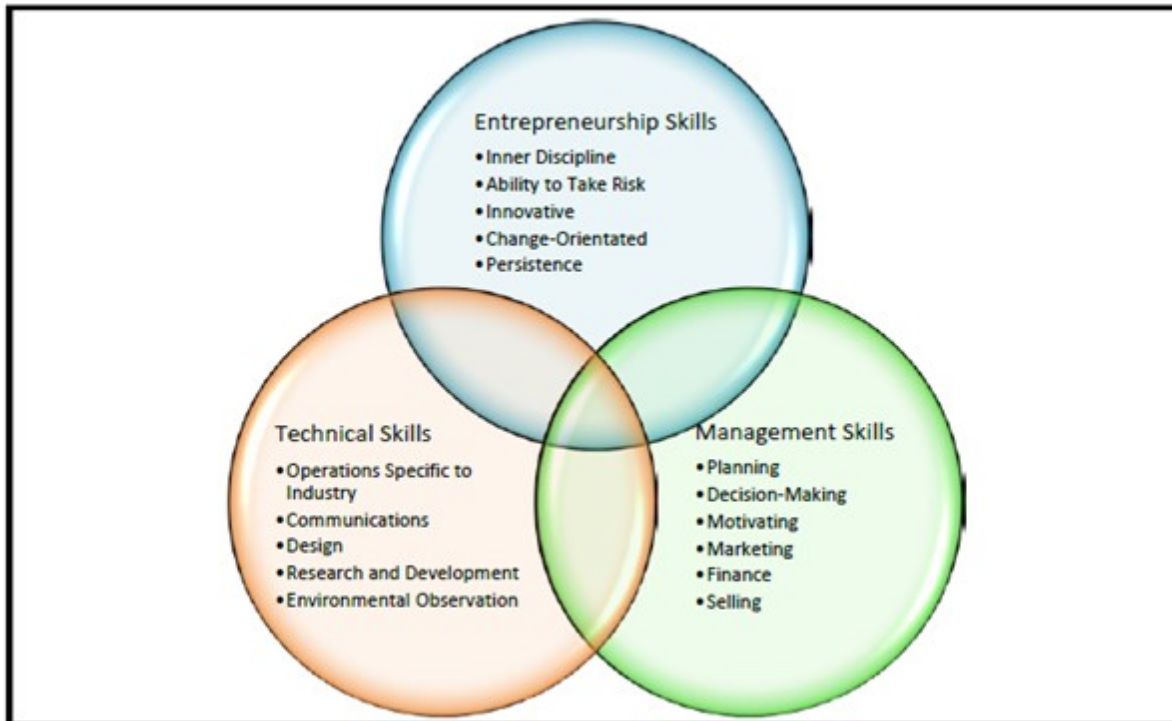


Figure 3: Entrepreneurship Skill Sets (Cooney, 2012)

Most successful entrepreneurs must be creative, dedicated, hardworking, efficient leaders, self-confident, customer-oriented, great financial managers and willing to respond to changing market demands by developing new products and services. Although studies differ with respect to the exact timing of teaching entrepreneurial qualities, they agree on the importance of teaching entrepreneurship at an early age, preferably in primary and secondary, education. Within this time frame, the focus of entrepreneurship education is teaching entrepreneurial qualities at a more practical level. Entrepreneurship can also be introduced as early as nursery school by encouraging teamwork, creative craft, paintings and other creative activities among the toddlers.

In primary school, awareness should be created of entrepreneurship as a contributor to the economy and as a relevant occupational choice. Early in secondary school, pupils should be offered the opportunity to become an entrepreneur themselves. Late in secondary school, students should acquire entrepreneurial qualities and motivation (Kent, 1990). Entrepreneurship should be taught in an active and

experiential way, stimulating young people to systematically think and act entrepreneurial (Solomon et al., 1994). The educational culture needs to be changed to support entrepreneurship skills such as teamwork, lateral thinking, and reflective learning as well as building enterprising teachers.

There should be specialized entrepreneurial courses in primary, secondary and tertiary institutions. Gibb (1993) proposed a model of enterprise education appropriate to primary and secondary school curricula. Critical elements of the model were the incorporation of an enterprise into the classroom environment, a project management task structure, and an enterprising teaching mode. The combination of these elements was expected to stimulate enterprising behaviour, skills, and attributes in students.

#### IV. MERITS OF ENTREPRENEURIAL EDUCATION

Entrepreneurial education is able to address some of the deficiencies in the existing education system. The development of entrepreneurial skills in the education system increases the supply of future entrepreneurs in the country,

leading to a lower unemployment rate and fewer failures of existing businesses (Hansemark, 1998). Entrepreneurial education fosters creative activity and independence in students (Kent, 1990). It prepares them for the realities of life outside school and empowers them with business, social and life skills.

Entrepreneurial education seeks to provide graduates with the knowledge, skills and motivation that will enable them to be creative and innovative in identifying new business opportunities and embarking on SMEs (Paul et al., 2005). In the long run, entrepreneurship education will serve as a catalyst for economic growth and development, effecting a reduction in poverty and urban migration. Entrepreneurship education creates a smooth transition from traditional to a modern industrial economy.

#### V. CHALLENGES OF ENTREPRENEURSHIP EDUCATION IN NIGERIA

Focusing on the development of a skilled workforce and the expansion of human capacities through high-quality systems of entrepreneurship education and skills acquisition is important for helping youths and graduates find good jobs and enterprises find skilled workers they need. However, implementing entrepreneurship education in Nigeria has been challenging due to poor funding of the educational system and inadequate infrastructure to support entrepreneurial education in Nigeria. For instance, poor power situation hinders class practical as most machines are powered by electricity. This makes it difficult to implement successful entrepreneurial programmes. The Nigerian educational system is also rigid and resistant to change. Hence, out-dated theoretical models which hamper creativity are mostly used in training students.

There are some existing entrepreneurship programmes in Nigeria such as Nigerian Directorate of Employment (NDE), Industrial Training Fund (ITF), National Poverty Eradication Programme (NAPEP), Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). However, there is inadequate regulation of these entrepreneurial enterprises. It is challenging to know if implemented entrepreneurial activities and programmes have had any impact at all.

Also, these existing entrepreneurial programmes have limited scope and as such struggle to transform the lives of Nigerian youth because of their limited scope and scale which does not adequately focus on the unique needs of young Nigerians.

Finally, the poor existing collaboration between the educational sector and industry has negatively affected the implementation of entrepreneurial programmes in Nigeria. For instance, in the ITF programme, it is very difficult for students to obtain internship opportunities in most corporations.

#### VI. CONCLUSION

Nigeria is facing a lot of youth restiveness due to her high level of unemployment. Entrepreneurship is an important driver of growth, innovation and job creation and education is the process of human development. Nigeria must address problems of existing entrepreneurial programmes and create policies that support entrepreneurship education in order to increase job opportunities for Nigerian youths.

In order to achieve a workable entrepreneurship education that will enhance sustainable development in Nigeria, the following strategies should be applied:

1. There should be a working partnership, bridging the gap between the higher institutions and the industry. Lecturers should have the field experience to aid communication and teaching of the courses.
2. Universities should work toward becoming entrepreneurial centres for students and young entrepreneurs. There should be school-based enterprises where students identify potential business, plan, create and operate a small business using the school as mini-incubators.
3. There should be an economic friendly political environment. The government should provide basic infrastructures such as electricity and good roads. Government taxation on Small and Medium Enterprises should be minimal to encourage more entrepreneurs.
4. The educational sector should be properly funded by the government. Industries should also be involved in financing entrepreneurial programmes in educational institutions.
5. Business schools/ Enterprise College aimed at fostering the specific skills sets required for entrepreneurship should be provided in communities. These schools should be easily accessible to youths, and the schools should have entrepreneurship-internship programmes where students are matched with local successful entrepreneurs for proper mentorship.

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