

**ENTREPRENEURSHIP DEVELOPMENT AS A PANACEA FOR DEPRESSED ECONOMY****Uju Sussan Muogbo Ph.D**

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Abstract

The study examined entrepreneurship development as a panacea for a depressed economy with particular reference to selected Small and Medium Enterprises in Anambra State Nigeria. The main objective of the study is to examine the need to cushion the adverse effect of depressed economy through entrepreneurship development in Nigeria. Related literatures were reviewed. The study adopted descriptive research method in which data generated through questionnaire and oral interview were analyzed. The population of the study was 160 owners and staff of small enterprises selected at random from their various firms. The hypotheses formulated in the study were testing ANOVA and Regression method. The study revealed that entrepreneurship development plays a key role in the process of economic development through employment creation, increase in investment and consumption of a nation thereby revamping the depressed economy. The study therefore concludes that entrepreneurship development remains a panacea for a depressed economy such as Nigeria. The study recommends that government should encourage entrepreneurship development through the provision of incentives to entrepreneurs and standing as a guarantor for loans given to aspiring entrepreneurs so as to improve their contribution to Gross Domestic Product.

Keywords: Development, Entrepreneurship, Depressed economy, Nigeria**I. INTRODUCTION**

The concept of entrepreneurship refers to the way toward making something new with value by devoting the important time and effort, assuming a company financial, psychic, and social risk and getting the monetary rewards, individual fulfilment and independence (Hisrich,2002). Adebayo (2013) contended that in spite of the tireless and cry for the introduction of entrepreneurship skills training program into the college and other tertiary institutions curriculum, yet majority of our graduates and particularly those that had gone through little skill training and those that were required to have acquired the skills for self-reliance and join the pool of entrepreneurs finds it very difficult and impracticable to discover their feet on ground as entrepreneurs. The reason behind this is because they are faced with numerous challenges like inappropriate and half-baked skill training, lack of financial resources, administrative failure, managerial inability, Lack of marketing knowledge, lack of entrepreneur pedagogy and tertiary institution authority for the skill training Programme. Entrepreneurs are essential to economic development because entrepreneurs are self-employed and create new businesses, stimulate the local economy in many ways. For example, their new businesses create jobs which constantly lessen the joblessness rate and increase cash in-flows. Furthermore, they likewise help improve standard of living with locally sourced materials that offer lower prices, help structure a sense of community



because of the localization of the products and urge individuals to search out new types. Today we recognize that the agent of change in human history has been and in all probability will continue to be the entrepreneurs. Entrepreneurs today are considered the legends of free enterprise. A considerable number of them used innovation and creativity to build multimillion-dollar enterprises from fledging businesses- some in less than 10 years. These individuals have created new products and services and have expected the risk related with these ventures. Numerous individuals presently regard entrepreneurship as "pioneer ship" on the frontier of business. Hence, it is critical to note that entrepreneurial efforts encourage local development, and the collective force of entrepreneurs has an impact on the overall economy of the country.

However, Nigeria is regarded as the leading oil producer in Africa and became the largest African economy, surpassing South Africa in terms of GDP. Despite this, the poverty rate in Nigeria is very high and Nigerian economy depression has lasted for far too long mainly due to a number of challenges. For a long time, the country suffered from political instability, corruption, undeveloped infrastructure, and poor management of the economy. The former military rulers of Nigeria could not diversify the economy in order to get rid of the country's complete dependence on the oil sector. Oil provided 95% of foreign exchange earnings and 80% of the revenues of the state budget. In 1982, Shehu Shagari administration introduced an Economy Policy called austerity measures in order to address the problem of declining economy. Austerity measures Programme aimed at cutting down public spending, reduce waste, to bring out more produce in the management of the nation resources. During Gen IBB regime, Nigeria contemplated taking a huge amount of money as loan from the International Monetary Fund (IMF) in order to bail her out from her economic crisis. Although Nigeria survived this depression, the recent depression that started in 2008 all over the world hit on the Nigerian economy badly. Nigeria depressed economy suffers increasing neglect of its own human and material resources in local production. In fact, industries close down as the economy is taken over and bubbles with the buying and selling of dumped and imported bric-a-brac from the rest of the world. It has de-industrialized, introduced galloping inflation, retrenchment, unemployment, freeze wages, low capital utilization in the manufacturing sector, negative direct foreign investment, low accumulation of savings and capital etc. The forgoing are true indicators of distressed economy and many sectors of the economy are bound to be suffering. So many scholars have identified entrepreneurship development as the solution to all this menace. Therefore, from the forgoing, it is crystal clear that entrepreneurship development enhances the sustainable development of a country and bearing the aforementioned in mind, entrepreneurship, if given the needed attention it requires will place Nigeria on the right pedestal nationally and internationally.

This study is aimed at presenting entrepreneurship development as a panacea to current economic depression facing Nigeria.

Problem Statement

It is quite disheartening about the percentage of youth unemployment in Nigeria according to the National Bureau of Statistics (70%) All the promises of the federal government to provide 3000 jobs yearly did not come to limelight. There are no white-collar jobs and this is what every Nigerian graduate looks up to after his national youth service (NYSC). Due to lack of a job, some of them resorted to very dubious means of making money, with cases of arm robbery attacks, internet fraud, kidnapping for ransom, prostitution, drug/human trafficking, oil theft, etc are always on the news. Another problem to the subject matter is that the government is not doing the needful to revive the entrepreneurship sector and this is tied to a major problem of the country; which is corruption. They heap a heavy tax to the small business owners and use some market tout to enforce them to pay. Government policies and succession plans about entrepreneurship development amongst schools have not been fully implemented, the fund allocated for entrepreneurship has been embezzled by few people handling the project. On some occasions, you have the government allocate certain funds to purchase equipment meant to empower youths who have learned some skills, but at the end of the day, such funds are diverted. Several studies have tried to address the issue of entrepreneurship development (Fayana,2000) yet have not addressed entrepreneurship as a way out of economic depression. In addition to this, primary, secondary and tertiary institutions have not included entrepreneurship studies in their curriculum. Students are not well enlightened on the need to have a skill and create their wealth instead of waiting for the government to



create employment. Additionally, commercial banks have refused to give out soft loans to small business owners to develop their businesses because of their inability to provide collateral. To add up, many entrepreneurs have lacked the administrative capability and managerial competencies to manage their businesses which makes them fail after a little while.

Against these backdrops, this study tends to examine entrepreneurship development as a way out of economic depression.

Objective of the Study

The broad objective of this study is to examine the role entrepreneurship development plays in a depressed economy, while the specific objectives include to:

1. Determine the extent to which entrepreneurship development can aid in revamping the depressed economy.
2. Determine whether there is a significant relationship between entrepreneurship development and reduction in economic depression in Nigeria.

Research Questions

The following research questions were formulated to guide the direction of this research work.

1. To what extent can the development of entrepreneurship in Nigeria aids in revamping the depressed economy?
2. Is there any significant relationship between entrepreneurship development and reduction in economic depression in Nigeria?

Statement of Hypothesis

Ho1 the development of entrepreneurship in Nigeria does not aid in revamping the depressed economy.

Ho2 There is no significant relationship between entrepreneurship development and reduction in economic depression in Nigeria.

II REVIEW OF RELATED LITERATURE

Economic Depression and its Features.

Depression is a severe economic downturn that lasts for several years. It is characterized by a falling Gross Domestic Product (GDP) and high unemployment rates. The economic depression spells bad news for every sector of the economy. Businesses are struggling to make profits, forcing them to reduce wages and cut back on staff numbers. This causes unemployment rates to rise across the entire country. Work becomes much harder to find, and even people with spotless credit histories fail to make their loan repayments, leading to mass home repossessions. The hallmark of an Economic depression is that there isn't enough money to keep the world turning (Eleazu, 2004).

Economic Depression in Nigeria

The implication of a noticed drop in the bank's business activity has affected the Nigerian economy drastically. The government, in order to cope with the problem in 1994, embarked on a number of austerity measures under a National Bank Emergency Programme (NBEP) since the declining earning could no longer meet our existing commitment to operate favorably. We have to understand that the country lost its international creditworthiness as the bank's internal trade almost came to a standstill. Import in Nigeria also declined with all the industrial sectors heavily dependent on raw materials and spare parts for machinery could no longer be financed easily (Anyanwu, 1997). The demand for consumer goods leads industrialists to invest in new factories or expand old ones, which means more jobs, more disposable income, and increased demand, firms to go to banks and security markets for new credit. People wanted more cash while the banks had gone illiquid and crashed one after the other. All the optimism and the credit generated could not be supported by physical cash. When there is such a major dislocation and description of Economic activity, one then talks of a depression that is a severe recession in Economic activity coupled with a considerable drop in national output.



Repositioning Entrepreneurship for Economic Recovery

Dimensions of effort at repositioning entrepreneurship in a depressed economy include:

1. acquisition of relevant knowledge in the area of information and communication technology. The world is turning computerized and only women entrepreneurs who are proficient in ICT will get along with global trends. Converting the idea into a product by women entrepreneurs can turn around the economic fortune of the country.
2. Entrepreneurs should begin to consider the option of property ownership through a co-operative approach. This will enable them to meet the requirement for loan acquisition.
3. Contracting/consultancy as a knowledge provider. Entrepreneurs should acquire a new kind of top management system which is an extension of operating management. One of the most important jobs ahead for the top management of the economy will be to stimulate and balance the supply-demand nexus. These will be building blocks of the new economic order.
4. More importantly is the fact that without growth in the agricultural sector, sustained economic recovery in developing countries such as Nigeria will be very unlikely. To this extent, entrepreneurs in agriculture deserve special incentives from the government and donor agencies.

Theoretical Framework

The theory that underpins the developmental impact of entrepreneurship is that of Schumpeter (1961). Schumpeter sees the entrepreneur as an 'innovator' who transforms the market place by introducing a new Page of production method, the new source of raw materials, a new form of organization and finally a new product to the market. This innovative tendency of the entrepreneur is very vital for economic development (Naude2013). The modern ideas on entrepreneurship are not one we can call a theory per se because of their black rigorous academic reviews and validation, most of which are mere introspection and largely subjective. For an instant, the notion that entrepreneurs are born or made is a case in time. The intention here is not to debate the makeup of the entrepreneur but the contribution to the economic development of a nation and that is the main crux of this lecture. The economic theory of entrepreneurship is applicable to Nigeria as it has been modeled as an occupational choice between self-employment and wage-employment (Murphy et al.1991). Hence someone will become an entrepreneur if profits and the non-pecuniary benefits from self-employment exceed wage income plus additional benefits from being in wage employment. Entrepreneurship is thus often synonymous with self-employment. Because self-employment is often not by choice but by necessity, a distinction is often made in between necessity and opportunity entrepreneurs. There is no gainsaying the fact that entrepreneurship brings about economic development. Examples of the nation that have moved from the third world to the first world is a classic case of what entrepreneurship has done to a nation that all national leaders must imbibe if they want to develop their economies.

Empirical Review

Ologbenta (2012) examined the impact of effective working capital management of the company's performance in a depressed economy. The research was undertaken by means of personal interviews and observation. Collection of data was also by means of questionnaires administered on the respondents, the data collected were analyzed using some analytical tools like percentages, descriptive tables, and the chi-square distribution table. In conclusion, working capital management policies and practices have a significant influence on a company's solvency and profitability. Maintaining a large size of current assets would improve the liquidity position of the company, but profitability will be no doubt increase, but the liquidity position of the company would be treated, making the company riskier. Working capital management should, therefore, aim to strike a balance by ensuring that the right combination of current assets and liabilities are held at each point in time.

Akindele (2015) examined the role of a community bank in a depressed economy. In undertaking, this project work research questions were administered to both respondents and staff of the bank. From the study, it was confirmed that: The respondents were aware of the existence of community banks in Edo State. The services offered by the bank were the provision of credit facilities keeping valuables, credit deposit, and mobilization. Services, financial extension services, etc problems of providing services to the respondents by the bank were services to the respondents. The



problem encountered in providing services to the respondents were poor lending policy, incompetent board and management staff, insider dealing, poor staffing and poor lend of equipment and insolvency, low capitalization. The solutions to the problems were erecting a healthy environment for a living organization and mobilizing discipline, providing more equipment, adherence to the principle of knowing customers, etc. The following from above, recommendations below were given: That qualified staff were employed to improve on the operation of the bank; the bank improves on its lending policy by making it attractive to the customers who patronize it. That the relevant equipment needed in the bank was provided to make effective the operations of the bank. By ensuring that there was always money for customers to withdraw or loaned whenever needed.

Aladeraji (2011) who examined Investment appraisal in a depressed economy tries to center on how possible it is for businessmen to invest in the economy with its downward slide. It also looks at the different investment raise techniques that can be used in appraising the different types of investment. Questionnaires were given to twenty-five respondents of the study company which involved primary and secondary data collection in the field. Cad bury who air their view about the topic and through the response made by them, the following findings were made. The investment holders can be the directors, shareholders, employees, the government among others. On the totality, appraisal of investment has been discovered to head to the effective planning and controlling of the enterprising scarce resources. Delivering into an investment, which can maximize the shareholders' wealth. That investment appraisal should be undertaken by any company that wants to from which the findings and the following recommendations were made.

III. METHODOLOGY.

This research work adopted the descriptive survey method. The reason for this method is because it focuses on obtaining factual information from the respondents and aims at drawing an accurate assessment of the entire population (Osuala,2005). In line with the unique nature of this study, the entire population was made up of 200 selected small business owners which were picked at random with few of their staff at different levels in their organization.

Research Instrument and Design

The sources of data collection were primary and secondary sources. The primary data for this study consists of raw data generated from responses to questionnaires and interviews by the respondents while the secondary data includes information obtained through the reviews of literature that is, journals, monographs, textbooks, and periodicals. In this study, questionnaire and interview were the research instrument used. The questionnaire is structured and provides answers to the research question and hypothesis therein. This instrument is divided into two sections, section A and section b. section A deals with the personal data of the employees of Metro-B Nigeria, Pa-Chucks Industry, Lippo Industry, and Christomex Ltd. Section B contains the research statement postulated in line with the research questions and hypotheses in chapter one. Options are provided for each respondent to thicken one of the options. The method of analysis used for interpretation is the table, frequencies, and graphs which involves the analysis of respondent' s response to each question. Questionnaires are utilized and the ANOVA and Regression method was used to test the research hypotheses.

IV. PRESENTATION AND ANALYSIS OF DATA

200 questionnaires were administered, 160 were returned and 30 were not retrieved while 10 were invalid. Table 1 below represents the frequency and percentage of the questionnaire administered, returned, invalid and not retrieved.

Table 1: Table Representing the Frequency, Percentages of Questionnaire administered

Questionnaire	Frequency	Percentage
Administered	200	100
Returned	160	80
Un retrieved	30	15
Invalid	10	5

Source: Field Work 2018

Table 2: Demographic Characteristics of the Respondents

Variable	Frequency	Percent	Valid Percent	Cumulative Percent
Age	5	3.1	3.1	3.1
25-35	70	43.8	43.8	46.9
36-45	43	26.9	26.9	73.8
46-55	25	15.6	15.6	89.4
Above 55	17	10.6	10.6	100
Total	160	100.0	100.0	
Marital Status	12	7.5	7.5	7.5
Divorced	18	11.3	11.3	18.8
Married	57	35.6	35.6	54.4
Single	58	36.3	36.3	90.6
Widowed	15	9.4	9.4	100.0
Total	160	100.0	100.0	
Edu. Qualification	10	6.3	6.3	6.3
BSc	38	23.8	23.8	30.0
HND	56	35.0	35.0	65.0
Others	23	14.4	14.4	79.4
SSCE	33	20.6	20.6	100.0
Total	160	100.0	100.0	

Source: Field Survey 2018

Table 2 indicates that 44% of the respondents are between the ages of 25-35 years, 27% are between the ages of 36-45 years, 16% between 45-55 years while 11% are above 55 years. This reveals that the majority of the respondents are still in their productive ages. The table also indicated that 11.3 % are divorced, 36% are still married, 36% still single and 9% are widowed. Their educational background showed that 24% of the respondents have BSc, 35% have HND, 14% have other forms of qualifications and 21% have SSCE. This implies that majority of the respondents are graduates with HND and BSc

Analysis of Research Questions

Research question 1: To what extent can the development of entrepreneurship in Nigeria aids in revamping the depressed economy? Research question 1 was answered with questionnaire item 5, 6, 7 and 8

Table 3: Response from the respondents on Research question 1

S/N	Variables	SA	A	U	D	SD	Remarks
5	Entrepreneurship development can be a catalyst for engendering peaceful society and economic development	78 (48.8)	58 (36.2)	10 (6.2)	8 (5)	6 (3.8)	Strongly Agree
6	Government establishment of business incubation centres prepares SMEs for local and global competition	61 (38.1)	80 (50)	8 (5)	6 (3.8)	5 (3.1)	Agree
7	Attendance of entrepreneurship capacity building workshops and hands-on seminars by SMEs add value to their knowledge and economic competition	85 (53.1)	55 (34.4)	4 (2.5)	9 (5.6)	7 (4.4)	Strongly Agree
8	Entrepreneurship initiatives such as technical training have the tendency of accelerating a nation's technological progress and international labour competitiveness	58 (36.2)	78 (48.8)	10 (6.2)	6 (3.8)	8 (5)	Agree

Source: Authors computation from SPSS 21 Analysis

Research question one is directed at determining if the development of entrepreneurship in Nigeria aids in revamping the depressed economy. Questionnaire items 5,6,7 and 8 were used to analyze the research question one.



From the table above 48.8 percent strongly agree that entrepreneurship development can be a catalyst for engendering peaceful society and economic development, 50 percent agreed that if government establish a business incubation centre it will prepare entrepreneurs for both local and global competition while 48.8 percent were in agreement that entrepreneurship initiatives have the tendency to accelerate a nation's technological progress and international labor competition.

Test of Hypothesis

Hypothesis one

Ho1: The development of entrepreneurship in Nigeria does not aid in revamping the depressed economy.

Table 4: Model Summary

Model	R	R.Square	Adjusted R Square	Std. Error of the Estimate
1	.326 ^a	.106	.089	.729

a. Predictors: (Constant), Q5, Q6, Q7

Table 5: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	9.688	3	3.229	6.075	.001 ^b
	Residual	81.331	153	.532		
	Total	91.019	156			

a. *Dependent Variable:*), Entrepreneurship development can be a catalyst for engendering peaceful society and economic development (Q5)

b. *Predictors: (Constant)*, Government establishment of business incubation centres prepares SMEs for local and global competition (Q6) Attendance of entrepreneurship capacity building workshops and hands-on seminars by SMEs add value to their knowledge and economic competition (Q7) Entrepreneurship initiatives such as technical training have the tendency of accelerating a nation's technological progress and international labour competitiveness (Q8).

Table 6: Regression Results

Model		Un- standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.462	.506		4.869	.000
	Q5	.061	.099	.052	.619	.537
	Q6	.077	.091	.071	.841	.401
	Q7	.274	.071	.297	3.852	.000

a Dependent Variable: Q5

Discussion of Results

c. The model summary table reveals that the predictors (Government establishment of business incubation centres prepares SMEs for local and global competition(Q6) Attendance of entrepreneurship capacity building workshops and hands-on seminars by SMEs add value to their knowledge and economic competition (Q7) Entrepreneurship initiatives such as technical training have the tendency of accelerating a nation's technological progress and international labour competitiveness(Q8) explain 32.6 percent changes independent variable (Entrepreneurship development can be a catalyst for engendering peaceful society and economic development (Q5)). Testing for significance, the p-value of F (0.001<0.05) indicated that we accept alternate hypothesis and reject the null hypothesis at a 5 percent level of significance, hence entrepreneurship development can be a tool for a peaceful society and economic development. Specifically, "the development of entrepreneurship in Nigeria does aid in revamping the depressed economy" is statistically significant at 5 % since the significance F value is less than 0.05.



V. SUMMARY OF FINDINGS,

From the analysis of data, the study discovered:

1. There is a need for economic development in Nigeria since it will aid in revamping and reduction in economic depression in Nigeria.
2. Economic displacement like unemployment and low investment influences the development of entrepreneurship in Nigeria.
3. If the government should encourage entrepreneurship development in Nigeria, small businesses will increase their performance which in turn boosts the country's GDP as well as paving way for investors and global connectivity in terms of technology advancement.

Conclusion

This economic recession times calls for measures not just to make our business survive but make the economy come out stronger. In this era of shrinking economic activities, the government should endeavour to provide the necessary infrastructure required for skill acquisition among its citizenry. This is because, without technological skill, the entrepreneurial spirit which drives economic development through job creation will be lacking. The entrepreneurship development in a developing country is an engine for job creation, innovation, and diversity. The role of entrepreneurship in the global business of developing countries like Nigeria is also significant. The wide range of significant contributions that entrepreneurship makes includes the promotion of capital formation, creation of immediate large scale employment, promotion of balanced regional development, and effective mobilization of capital and skills.

Recommendations

Based on the findings, the study, therefore, recommends the following:

1. The government should encourage entrepreneurship development through the provision of incentives to entrepreneurship and standing as a guarantor for loans given to aspiring entrepreneurs.
2. The government should provide an enabling environment like a steady power supply, access roads, grants, credit facilities to entrepreneurs.
3. The unemployed should venture into entrepreneurship to help reduce the incidence of economic depression in the nations.
4. The unemployed graduates should stop loitering the street and venture into small ventures so as to contribute to the gross domestic product.

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