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ENTREPRENEURSHIP AND DEVELOPMENT: THE NIGERIAN EXPERIENCE

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Abstract:

Entrepreneurship and Development are twin concepts that must work together to bring economic, social, political, human and modern transformation to any nation that is desirous of progress. This paper looks at the two concepts in relation to Nigeria. To achieve this, the paper is divided into six sections namely: introduction; definition of concepts, entrepreneurship programs in Nigeria: an overview, entrepreneurship and development in Nigeria, challenges to entrepreneurship and development in Nigeria, and recommendations/conclusion. The paper concludes that entrepreneurial culture in Nigeria is still very under-developed as it contributes less than 10% to the gross domestic product due to the quest for white-collar jobs among the youths, coupled with other multifarious factors which have led to the in-active development of entrepreneurship in the country.

Key words: Under-development, Infrastructural facilities, Epileptic Electricity, Corruption.

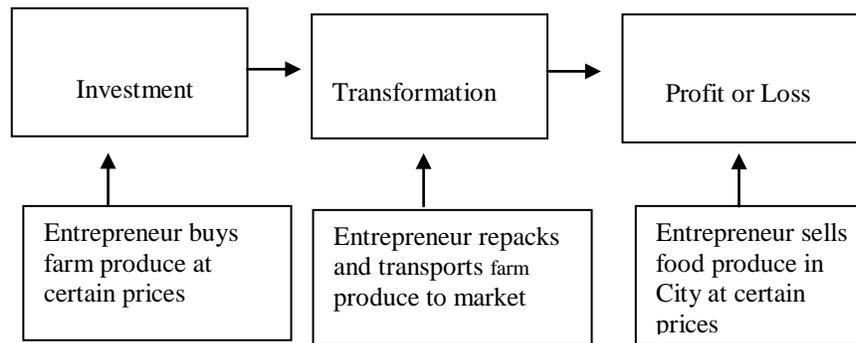
1. INTRODUCTION

The concept of entrepreneurship has been around for a very long time, although its resurgent popularity tends to imply a sudden discovery as if the nation has stumbled on a paradigm for enterprise. This is a myth because the Nigerian society has always engendered the spirit of entrepreneurship right from the pre-colonial era to the contemporary period, and our future rests squarely on entrepreneurial ventures founded by creative, inspired and adventurous individuals who can instigate progress. They are risk takers who seize opportunities to harness and use resources in unusual ways to thrust nations into a thunderous roar of development.

Generally, Richard Cantillon, a French economist of Irish descent, is credited with giving the concept of entrepreneurship a central role in economics. In his *Essai sur la nature du commerce en general*, published posthumously in 1755, Cantillon described an entrepreneur as a

person who pays a certain price for a product to re-sell it at an uncertain price, thereby making decisions about obtaining and using resources while assuming the risk of enterprise. A critical point in Cantillon’s argument was that entrepreneurs consciously make decisions about resource allocations. Consequently, astute entrepreneurs would always seek the best opportunities to use resources for their highest commercial yields. Cantillon played out his theory in real life, becoming a wealthy arbitrageur investing in European ventures, dealing in monetary exchange, and controlling commodities, such as farm produce, to auction in high demand markets. His vision is illustrated for farm produce in table 1 below:

TABLE I: CANTILLON’S EARLY VIEW OF ENTREPRENEURIAL BEHAVIOUR



SOURCE: D. H. Holt, *Entrepreneurship: New Venture Creation*, New Delhi: Prentice-Hall of India Private Limited, 2006, p. 4

In developing countries like Nigeria, entrepreneurship is gaining increasing recognition with modifications in government and private sector thinking. Unfortunately, the opportunities for entrepreneurs are often limited by factors in the ambience of enterprises such as: lack of infrastructural facilities, lack of entrepreneurial education, corruption, lack of incentives and government protection just to mention a few. We shall return to the discussion of these factors shortly. Specifically, it is very clear that corruption and cumulative bad governance have negatively affected the development of entrepreneurship and the Nigerian state, thereby creating condition of fear, hopelessness, helplessness and desperation in Nigerians. One of the major challenges confronting the Nigerian state due to the lack of development of entrepreneurship is

unemployment which stands out distinctly as the most explosive. Vibrant entrepreneurship mitigates unemployment. The problem of unemployment becomes more compounded when it is widespread among graduates. A thriving entrepreneurial sector will help to mitigate socio-economic challenge in Nigeria. The problem of graduate unemployment, for example, is a very explosive one which is a two-edged sword that does nobody good. This human tragedy cripples the hopes, aspirations and desires of a very vital segment of the Nigerian society, and creates a condition of hopelessness and helplessness, thereby reducing the unemployed to the pitiable level of absolute poverty. Both the society and the individuals suffer under this dehumanizing situation (Oviasuyi, Arowoshegbe, and Isiraoje, 2012).

It is evidently clear that the unemployment problem in Nigeria today is serious enough to warrant the attention of government, civil society and specialists from different fields of knowledge. Consequently, the need for a monumental growth in entrepreneurship and entrepreneurial ventures in the country can never be over-emphasized. Therefore, it is a statement of fact that, effective and efficient entrepreneurship can lead to sustainable growth and development of every nation. Sustainable growth in this sense refers to the systematic transcendence in the living standards of the citizenry as well as the continued maintenance and improvements on living standard, where employment is provided on a consistent basis for the teeming population and the basic necessities of life are available.

The history and development of entrepreneurship in Nigeria can be examined from two stages: the early stage, and the modern stage.

Entrepreneurship in Nigeria started when people produced more products than they needed, as such; they had to exchange the surpluses. For instance, if a blacksmith produced more hoes than he needed, he exchanges the surplus with what he had not, but needed; maybe he

needed some yams or goats etc, he would look for someone who needed his products to exchange with (Collins and Moore, 1970). Through this method, producers came to realize that they can concentrate in their areas of production to produce more and then exchange with what they needed. Entrepreneurship in Nigeria started through this exchange of products.

A typical Nigerian entrepreneur is a self-made-man who might be said to have strong will to succeed; he might engage the services of others like friends, mates, in-laws etc to help him in his work or production. Through this technique, Nigerians in the olden days were engaged in entrepreneurship. Early entrepreneurship was characterized by production or manufacturing which the producer most often started with a small capital, usually from his own savings. The early entrepreneurship in Nigeria started with trade-by-barter even before the advent of any form of money (Dania, 2009:8).

Modern entrepreneurship in Nigeria commenced with the coming of the colonial masters, who brought in their wares and made Nigerians their middlemen. Through this process, modern entrepreneurship was conceived. Most of the modern entrepreneurs were engaged in retail trade or sole proprietorship ventures.

One of the major factors that have in many ways discouraged the growth of entrepreneurship in Nigeria is the value system brought about by formal or western education which was seen as the preserve of the privileged for decades. With formal or western education, people had the opportunity of being employed in the civil service and in other organizations, because in those days the economy was large enough to absorb the few educated people. Consequently, the system made Nigerians to absolutely depend on white collar jobs (Collins and Moore, 1970).

Furthermore, the contact between Nigerian and foreign entrepreneurs during the colonial era was very detrimental to the growth of entrepreneurship in Nigeria as the competitive business strategies of the foreign entrepreneurs were ruinous and against moral standards established by society. They did not adhere to the theory of *“live and lets live”*. For instance, the United African Company (UAC) that was responsible for a substantial percentage of the import and export trade in Nigeria had the policy of dealing directly with producers and refused to make use of the services of Nigerian entrepreneurs (Collins and Moore, 1970). The refusal of the expatriates to utilize the services of local businessmen inhibited their expansion and acquisition of needed and necessary skills and attitude, and as a result, many of the Nigerian entrepreneurs folded up their business ventures. Those that folded up their business ventures built up resentment against business and this became very demoralizing to other prospective entrepreneurs. As a result, the growth of entrepreneurship in the country was slowed down. However, with more people becoming educated and coupled with the fact that government alone could no longer employ most school leavers, economic programs to encourage individuals and school leavers to go into private ventures and be self-reliant started evolving (Dania, 2009:8). Ironically and regrettably too, entrepreneurship has not and is not contributing significantly to the development of Nigeria as would have been expected from a highly populated and naturally endowed growing economy.

With the aid of primary and secondary sources of data, this paper examines Nigeria’s experience with entrepreneurship and development, and the attendant challenges. The remaining part of this paper is divided into the following segments: definition of concepts, entrepreneurship programs in Nigeria: an overview, entrepreneurship and development in

Nigeria, challenges to entrepreneurship and development in Nigeria, and recommendations/conclusion.

2. DEFINITION OF CONCEPTS

Entrepreneurship: The concept of entrepreneurship has a wide range of meanings. An *entrepreneur* is person who creates or starts a new project, opportunity, or venture. Most commonly, the term entrepreneur applies to someone who establishes a new entity to offer a new or existing product or service into a new or existing market, whether for a profit or not for profit venture. Entrepreneurs often have strong beliefs about a market opportunity and are willing to accept a high level of personal, professional or financial *risk* to pursue that opportunity.

Development: In defining development, Dudley Seers stated that: “The questions to ask about a country’s development are: what has been happening to unemployment? What has been happening to poverty? What has been happening to inequality? If all three have declined from high levels, then beyond doubt this has been a period of development for the country concerned. If one or two of these central problems have been growing worse, especially if all three have, it would be strange to call the result development, even if per capita income doubled” (Seers, 1972:124). From this perspective, development means the ability of a nation to experience low level of unemployment, poverty and inequality.

Put differently, Todaro sees development as: “a process through which a society’s economic, political and socio-cultural institutions are transformed in order to improve the standard of living and the life chances of every individual in the society” (Todaro, 1992:158). In the same vein, Iyoha sees development as: “The ability to provide the basic necessities of life such as: food, jobs, affordable and accessible health care; good, durable and motor able roads,

water, electricity, and education for the people within a free and participatory climate” (Iyoha, 1999).

3. ENTREPRENEURSHIP PROGRAMMES IN NIGERIA: AN OVERVIEW

Successive governments in Nigeria have over the years consistently made what we call impressionistic efforts at entrepreneurial development in the country with the establishment of the following schemes:

- **National Directorate of Employment:** This directorate has the main task of creating entrepreneurial job opportunities and implementing government policies directed at solving the growing unemployment problem of the economy. It has four components which include: Small Scale Industries and Graduate Program; National Youth Employment and Vocational Skills; Development Program, Agricultural Sector Program; and Special Public Works Program.
- **Industrial Development Centers:** These were set up in various states of the federation to assist small scale industries to overcome their technical and managerial problems.
- **Development Banks:** This involved the establishment of the following financial institutions: Nigerian Industrial Development Bank (NIDB); Nigerian Bank for Commerce and Industry (NIBCI); Nigerian Agricultural and Rural Development Bank Limited; Micro Finance Banks; and People’s and Community Banks
- **Entrepreneurial Development Program in Educational Institutions (EDP):** The introduction of this program into the curriculum of educational institutions by National Universities Commission (NUC) and other relevant bodies was aimed at inculcating the spirit of entrepreneurship in young Nigerian school leavers so that they can be self-employed instead of looking for the non-existent white collar jobs.

- **Skill Acquisition Centers:** These are centers established by government all over the country to train people particularly the young Nigerians in different vocations.
- **Others are:**
 - (i) World Bank SME I and II Loan Schemes;
 - (ii) National Poverty Eradication program;
 - (iii) Advisory Agencies (i.e., Technology Incubation Centers)
 - (iv) Fiscal and Monetary Policies;
 - (v) Small and Medium Industries Equity Investment Scheme (SMIEIS);
 - (vi) The Youth Enterprise with Innovation in Nigeria (You-Win) program aimed at encouraging and supporting aspiring entrepreneurial youth in Nigeria to develop and execute business ideas that will lead to job creation; and
 - (vii) Subsidy Reinvestment and Empowerment Program (Sure-P) was established to provide the unemployed graduates youths with job apprenticeship opportunities that will expose them to skills and experiences relevant to the current labor market and enhance their employability.

However, the impacts of these efforts/initiatives have not yielded the expected results.

4. ENTREPRENEURSHIP AND DEVELOPMENT IN NIGERIA

Entrepreneurship is expected to contribute significantly to the overall development of the economies of both developed and developing countries. Unfortunately, entrepreneurship has not contributed significantly to the development of Nigeria. Its paltry contribution to the development of the nation is discussed hereunder on sectoral basis:

Table II: Categorization of Enterprises in Nigeria

S/N	Size Category	Employment	Assets (=N= Million) (excl. land and buildings)
1	Micro enterprises	Less than 10	Less than 5
2	Small enterprises	10 to 49	5 to less than 50
3	Medium enterprises	50 to 199	50 to less than 500

Source: National MSME Collaborative Survey Report, 2010.

Table II above shows that micro enterprises employ less than 10 workers with an asset base of less than N5million. Small scale enterprises employ between 10 – 49 persons with an asset base of between N5 – 50 million, while the Medium scale enterprises engage between 50-199 employees with an asset base of N50 – 500 million.

Table III: Total Number of Small and Medium Enterprises in Nigeria by Sector

SECTOR	10 – 49		50 - 199		TOTAL
Number	Number/ Percentage	Percentage	Number/ Percentage	Percentage	Number
Agriculture, Hunting, Forestry and Fishing	696	92.77	54	7.23	750
Mining and Quarrying	134	80.43	33	19.57	167
Manufacturing	5,939	89.28	713	10.72	6,652
Building and Construction	194	81.13	45	18.87	239
Wholesale and Retail Trade; Repair of Motor Vehicles and Household goods	3,916	96.90	125	3.10	4,041
Hotels and Restaurants	2,088	94.52	121	5.48	2,209
Transport, Storage and Communication	680	83.89	131	16.11	811
Financial Intermediation	2,166	93.22	158	6.78	2,323
Real Estate, Renting and Business Activities	908	94.62	52	5.38	960
Education	1,508	93.75	101	6.25	1,608
Health and Social Work	2,542	95.75	113	4.25	2,654
Other Community, Social and Personal Service Activities	495	97.98	10	2.02	505
TOTAL	21,264	92.78	1,654	7.22	22,918

Source: National MSME Collaborative Survey Report, 2010.

Table III shows the total number of small and medium scale enterprises in Nigeria by sector as at December, 2010 which is the most current information available in the country to the best of our knowledge. Furthermore, it shows that 22,918 SMEs were in operation in the country as at 2010.

Table IV: Initial Start-Up Capital

Total Capital (N Million)	No. of Enterprises	Percentage
Below 10	17,199	83.2
10 – 20	1,441	7.0
21 – 30	414	2.0
31 – 40	147	0.7
41 – 50	358	1.7
Above 50	1,120	5.4
TOTAL	20,679	100.0

Source: National MSME Collaborative Survey Report, 2010.

The entrepreneurial initial start-up capital is as reflected above, with those below N10million start-up accounting for 17,199 or 83.2% of the total number of enterprises. Those with N50million and above amounted to only 1,120 or 5.4% of the total number of enterprises.

Table V: Total Capital as at December 2010

AMOUNT(N**000)	TOTAL AMOUNT PER CATEGORY IN NAIRA (BILLIONS)	PERCENTAGE
Below 50	9,077,259	53.66
50-100	4,333,033	25.61
101-200	1,661,813	9.82
201-300	589,207	3.48
301-400	308,658	1.82
401-500	272,358	1.61
501-600	132,406	0.78
601-700	96,456	0.57
701-800	84,377	0.50
801-900	51,528	0.30
901-1000	93,180	0.55
Above 1000	217,047	1.28
Total	16,917,323	100

Source: National MSME Collaborative Survey Report, 2010.

Table V indicates that the total capital as at December, 2010 was N16,917,323 billion, out of which entrepreneurs with below N50m capital had a lion share of N9,077,259 representing 53.66%. Entrepreneurs with N1b capital and above accounted for 217,047 representing 1.28% of the total capital outlay. Entrepreneurs of between N801-900m amounted to N51,528 representing 0.30% of the total capital outlay.

Table VI: Source of Capital

Source of capital	Amount (Naira in Billions)	Percentage
Personal Savings	15,028	54.4
Loan	6,091	22.0
Family Source	5121	16.7
Cooperative/Esusu	1,405	5.1
Parents	259	0.9
Friends	243	0.9
Total	27,645	100.0

Source: National MSME Collaborative Survey Report, 2010.

The source of capital for investment in entrepreneurial ventures in Nigeria is a major problem as most of the entrepreneurs depend mainly on their personal savings which is very hard to come by. Table VI showed that 54.4% amounting to N15,028b was generated from personal savings. The bank loan facility which ought to be the major source of capital amounted to N6,091b representing 22.0% of capital outlay. Other sources of capital are as reflected in the table.

Table VII: Ownership Status

Forms of Ownership	Number of entrepreneurs	Percent
Sole Proprietorship	13,169	57.5
Partnership	1,898	8.3
Private Limited Liability	6,239	27.2
Cooperative	298	1.3
Faith Based Organization	1,081	4.7
Others	233	1.0
Total	22,918	100.0

Source: National MSME Collaborative Survey Report, 2010.

Ownership of entrepreneurial ventures in Nigeria is mainly in the hands of sole proprietors as 13,169,000 representing 57.5% are actively and deeply involved in growing the economy through entrepreneurship. Private Limited Liability companies accounted for 6,239 or 27.2%, while all the others accounted for only 233 representing 1.0%.

Table VIII: Total Number of Workers employed by Sector as at December 2010

Persons Engaged			Owners of Enterprises		Total	
SECTOR	Number	Percent	Number	Percent	Number	Percent
Agriculture	3,256,159	23.3	2,633,041	15.7	5,889,200	18.2
Mining & Quarrying	30,548	0.2	27,365	0.2	57,913	0.2
Manufacturing	2,629,630	14.2	2,831,642	16.9	5,461,271	16.9
Construction	449,785	4.2	556,133	3.3	1,005,918	3.1
Wholesale & Retail Trade, Repair of Motor Vehicles and household goods	7,748,316	49.2	8,884,265	53.1	16,632,581	51.4
Hotels and Restaurants	299,699	1.0	300,324	1.8	600,023	1.9
Transport, Storage and Communications	520,980	3.9	635,203	3.8	1,156,183	3.6
Real estate, Renting and business activities	186,661	1.2	210,115	1.3	396,776	1.2
Education	37,324	0.3	33,259	0.2	70,583	0.2
Health and social work	6,339	0.1	12,712	0.1	19,051	0.1
Other community, social & personal service activities	476,020	2.5	609,887	3.6	1,085,908	3.4
Total	15,641,460	100	16,733,946	100	32,375,406	100

Source: National MSME Collaborative Survey Report, 2010.

Table VIII reveals that 32,375,406 persons were employed by SMEs as at December, 2010. This figure represents 19.04% of the nation's population of approximately 170million persons.

In Nigeria, the Small and Medium Enterprises Sub-sector has been identified as one of the critical elements to the achievement of the country's vision 20-2020. The sub-sector has been globally acknowledged as the engine that drives the socio-economic transformation of both the developing and developed countries. A nurtured and well structured MSME sector contributes significantly to employment generation, wealth creation, poverty reduction and sustainable economic growth and development.

Various impressionistic attempts have been made by successive Government to stimulate the growth and development of the MSME sector in Nigeria after many years of neglect. The call for a coordinating Agency for the MSMEs sub-sector dated back to 1987, when a study by the World Bank made the recommendation. Efforts by the Government to actualize it failed until 2003, when the Small and Medium Scale Industry Development Agency (Establishment) Act, enacted by the National Assembly created the Small and Medium Industry Development Agency (SMIDA). The National Assembly passed the SMIDA amendment bill in December, 2004. The Act changed the name of SMIDA to the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN).

The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) was established in 2003, to facilitate the promotion and development of a structured and efficient Micro, Small, and Medium Enterprises (MSMEs) Sector that will enhance sustainable economic development in Nigeria. The Agency is the apex and coordinating institution for all matters relating to starting, resuscitating and growing MSMEs in Nigeria. The Agency is also saddled with the responsibility of contributing to the attainment of Vision 20-2020 and the Transformation Agenda of the present administration. It is expected to provide the following Services.

- Generation and dissemination of Business information;
- Business Awareness creation;
- Business Development Services;
- Access to Market and Finance;
- Advancing Entrepreneurship Education;
- Stimulating Entrepreneurship/Enterprise Development;
- Enterprise cooperation and clustering; and
- Policy Advocacy for improved Business Operating Environment, with the overall objective of alleviating poverty, expanding gainful employment opportunities, wealth creation and sustainable economic growth and development. (National MSME Collaborative Survey Report, 2010).

The Agency (SMEDAN) is today, the country's apex institution with the statutory responsibility of facilitating the creation, resuscitation and stimulation of the growth and development of the Micro, Small and Medium Enterprises sector of the Nigerian economy. The establishment of SMEDAN is a giant stride by the Federal Government in repositioning the sector and realigning with the mainstream of the Nigerian economy.

Ironically and regrettably too, SMEDAN is even unknown by the majority of entrepreneurs/stakeholders as shown in table IX below:

Table IX: Awareness of the existence of SMEDAN by entrepreneurs

ITEM	Number	Percentage
Yes	10,436	45.5
No	12,482	54.5
Total	22,918	100.0

Source: National MSME Collaborative Survey Report, 2010.

In table IX above, 10,436 entrepreneurs representing 45.5% of the total number of entrepreneurs in Nigeria are aware of the existence of SMEDAN, while the majority of 12,482 representing 54.5% do not know about the existence of SMEDAN that is supposed to be the catalyst for entrepreneurial growth and development in the country.

Table X: Benefits from SMEDAN Services to entrepreneurs

ITEM	Number	Percentage
Yes	996	9.5
No	9,440	90.5
Total	10,436	100.0

Source: National MSME Collaborative Survey Report, 2010.

Table X shows that out of 10,436 entrepreneurs who are aware of the existence of SMEDAN, only 996 representing 9.5% have benefited from the services of SMEDAN. Unfortunately, 9,440 or 90.5% of those who are aware of the existence of SMEDAN have not in any way benefited from the services of the Agency. Generally, this means that out of the 22,918,000 enterprises in the country only 996 representing 0.043% have and are benefiting from the services of SMEDAN.

Table XI: Export of Products/Services

Item	Number	Percentage
Yes	603	2.63
No	22,315	97.37
Total	22,918	100.00

Source: National MSME Collaborative Survey Report, 2010.

It is regrettable to observe from table XI that only 603 entrepreneurs representing 2.63% are involved in the exportation of their products or services, while 22,315,000 representing 97.37% are either community, local, state or nationally based, and therefore, not involved in the generation of foreign revenue for the country.

The Small and Medium Enterprises are globally acknowledged as the required lubricant for the engine of socio-economic transformation of any nation. The MSME sector is strategically positioned to absorb up to 80% of job seekers, improve per capita income, increase value addition to raw materials supply, improve export earnings and step up capacity utilization in key industries. However, the story of entrepreneurship in Nigeria is different from that of other countries of the world due to numerous challenges.

5. CHALLENGES TO ENTREPRENEURSHIP AND DEVELOPMENT IN NIGERIA

The challenges of entrepreneurship in Nigeria are multidimensional, multifarious and in-exhaustive due to a plethora of factors. For the purpose of this discussion, we have categorized the factors into two: **external** and **internal**:

External Factors

- **Poor macroeconomic environment:** The Nigerian macroeconomic environment is known to be unstable. In Nigeria with high unproductive population growth rates, low income, low literacy and low life expectancy, many Nigerians live in conditions of abject poverty and the economic outlook portends that constraints on the economy is increasing. Enterprises in Nigeria face triple the administrative costs due to effects of corruption; spend twice the time dealing with bureaucratic procedures, and enjoy half the protection of property rights compared to business in advanced economies;
- **Inconsistency in Government Industrial Policies:** Inconsistencies in government policies have been identified as a major problem affecting the growth of small and medium scale industries in Nigeria. The inability of Nigerian government to execute budgets timeously is a major restriction on the ability of manufacturing firms to factor adequate tax measures into their trade decisions;

- **Lack of infrastructural facilities:** Many entrepreneurs blame their inability to fund SMEs on the poor economic climate prevalent in the country, citing for instance, the low performance of public utilities as one of the factors threatening the operations of SMEs. To operate, entrepreneurs must provide its own water, roads and security required for them to run the business. New roads are neither constructed nor old ones maintained; water supply is non-existent in many parts of the country, and bank do not extend credit facilities to entrepreneurs as expected;
- **Excruciating Interest Rates:** High interest rates are not favorable to investors in the sense that the cost of funds could undermine profits, and cause a down turn in investment. Interest rates in Nigeria officially are very high, excruciating and has had negative impact on the ability of entrepreneurs to obtain credit facilities from the banks. At times, the interest rate goes as high as 36% or more under different guises such as: administrative cost, Insurance, commission on turnover, value added tax, just to mention a few; (Nwoye, 2008:144-145).
- **Lack of entrepreneurial education:** Education in Nigeria from the recent past till date is largely theoretical. Laboratories and workshops for practical exercises are either ill-equipped or non-existent. Consequently, graduates of Nigerian tertiary institutions are only equipped with theories without any practical orientation due to inadequacy or unavailability of the needed equipment for teaching and learning. It was in recognition of this deficiency that the National Directorate of Employment (NDE) was established to equip the graduates with the needed skills to alleviate their poverty and survive in life. Ironically, the effect of this poverty alleviation program is yet to be positively felt by majority of Nigerians;

- **Value system:** From the 1940s to the 1970s and up to the 1980s, the value system in Nigeria revolved around morality, spirituality, proper up-bringing, respect for elders and others, proper education and so on. Unfortunately, somewhere along the line of development, all these have been lost to modernity. The value system today is money, not just money..... real money, big money. A young man wants to gain admission into the university today, graduate tomorrow, work in Shell Petroleum Development Company the next day and buy a private jet the next month. It is a major challenge to attempt to alleviate the poverty of a person who wants to become a millionaire overnight;
- **Corruption:** This is the major bane of entrepreneurship in Nigeria. It is in Nigeria that leaders loot the treasury of the nation, the commonwealth of the people, and transfer proceeds to the economies of rich nations that are already developed. It is in Nigeria that some leaders loot the treasury and save for their great, great grandchildren that they may not be sure of. Nigeria which was one of the 50 richest countries globally in the 1970s is now one of the 25 poorest countries in the world due to leadership failure and corruption;
- **Cumulative Bad governance:** Majority of the political leaders in Nigeria are unfortunately charlatans, drop-outs, never do wells, ballot box snatchers, expired/worn out personalities who have been in power from the colonial era till date. Those who took over leadership of the country from the colonial masters in 1960 are still holding on to power. The few who are retiring are replacing themselves with their unskilled and unproductive children that were poorly or badly groomed and bereft of ideas, vision and mission, and therefore, not in position to discuss or operationalize good governance. To ascend to leadership position in Nigeria, you must belong to the cabal or the mafia group or having a willing godfather who will support you; (Oviasuyi, 2012:37).

INTERNAL FACTORS

Apart from the external problems that hamper the growth of entrepreneurship in Nigeria, there are also serious internal problems that greatly constrain their growth and serve as deterrent to the success of small and medium scale enterprises. These problems include, but not limited to the following:

- **Lack of Proper Planning:** Many entrepreneurs in Nigeria do not plan for crisis events, because they believe that the probability of such an event is minimal. Most of them plan in their own heads, and communicate plans to the next level manager by word-of-mouth on a need-to-know basis. Putting together a complete and written business plan is the first step in entrepreneurial management. Any plan that seeks to be a roadmap for growth must include a realistic assessment of the profit of the entrepreneur;
- **Excessive Expenditure:** An entrepreneur does not need the latest model of everything. Sometimes second-hand equipment will do the job just as well. Lavish business trips and first-class hotels are not for a growing entrepreneur. Unfortunately, the Nigerian entrepreneur wants the people to know that he has arrived by showing his wealth;
- **Poor Management Practices:** Most entrepreneurs do not have good management structures. Often, a family owns the firms and this engenders poor internal control systems. Also, because of poor management of the firms, there is an obvious lack of a proper keeping of financial records, and this affects the success or otherwise of the enterprise;
- **Poor Customer Services;** This is probably the biggest challenge that unsuccessful entrepreneurs have. Customer care is not a privilege, it is an imperative. Most Nigerian entrepreneurs do not know the value of good customer care. For example, myself and

two of my friends went into a restaurant to eat and as we entered, we met two well-structured women seating and we greeted them. It took them minutes to answer our greetings. We sat down on the chairs with a table in front of us waiting to be attended to. Again, it took them extra minutes to get up to attend to us. Our orders were taken and the food did not come until 20 minutes later without any reason or apology. When the food finally arrived, one of the plates with which the food was served seemed not to be clean, and we objected to the use of the plate. One of the women said to us: “If you do not want to eat go, go, we will eat it. If you like, do not come again, I do not depend on you. My husband is there to take care of me”;

- **Insufficient Marketing Strategy:** Most entrepreneurs just open a store or an office, hanging the signboard without adopting any marketing strategy for the success of the enterprise. An entrepreneur must advertise, promote and sell the product/service to potential customers. It may have the best product or service, but will not generate revenue if no one knows about it. Intensive advertisement is always required, especially in a situation of high competition;
- **Lack of business knowledge;** Most Nigerian entrepreneurs are copycats. Because Mr. A is doing one form of business, they will also rush into such business without studying and understanding the intricacies of the business;
- **Poor Accounting System:** Simple records of financial transactions are not usually kept by entrepreneurs and this creates loopholes for fraud. Improper records of business transactions certainly limit accessibility to institutional credit in Nigeria; (Nwoye, 2008:146-150)

- **Culture:** The culture of white collar-job to a very large extent has affected the development of entrepreneurship in Nigeria. Every Nigerian young graduate is mainly interested in getting a job instead of working towards the creation of jobs for himself and others. Furthermore, female entrepreneurs in Nigeria are often underestimated and overlooked due to cultural barriers arising from male/female role definitions that label women inherently inferior to men; and
- **Lack of Incentives and government protection:** Entrepreneurs are mostly on their own when it comes to incentives and government protection in terms of security and others;

6. RECOMMENDATIONS/CONCLUSION

In view of the foregoing, the following recommendations are offered for the growth and development of entrepreneurship which in turn will lead to the development of the country in all ramifications:

- **Electricity:** With adequate supply of electricity, 60% of the problems of the Nigerian economic woes will be solved. Government should properly address the issue of electricity to meet the yearnings and aspirations of the citizens and not using it as conduit pipe for siphoning the wealth of the nation;
- **Macro-economic environment:** The macro-economic environment which is presently unfavorable to entrepreneurs should be stabilized through proper fiscal and monetary policies' coordination to reduce interest rates, stabilize prices and reduce rent seeking behavior among economic agents especially banks. Government policies must be re-directed to favor the growth of entrepreneurship;

- **Security:** Security is a major requirement for the growth of any society, therefore, all stakeholders in the security sector must do everything possible to provide adequate security for the growth of the country;
- **Finance:** As we observed from the source of capital, personal savings is currently the main source of finance for small and medium scale enterprises and other related ventures. Government must create conducive opportunities for borrowing;
- **Technical Education:** Technical education in Nigeria is currently in a comatose state and it is expected to be the foundation for the entrepreneurial and technological growth of the country. As a matter of necessity, government must refocus/reorganize technical and entrepreneurship training.

Entrepreneurship and development are twin concepts that must work together to bring economic, social, political, human and modern transformation to any nation that is desirous of progress. Finally, it is our submission that entrepreneurial culture in Nigeria is still very under-developed as it contributes less than 10% to the gross domestic product due to the quest for white-collar jobs among the youths, coupled with other multifarious factors which have led to the weak growth and development of entrepreneurship in the country.

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