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ENTREPRENEURSHIP IN NIGERIA: A NEXUS BETWEEN ECSONOMIC GROWTH AND SECURITY

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Abstract

Given the poverty and rising unemployment level seemly occasioned by insecurity in Nigeria with the consequences and reality that government cannot provide the needed job for the growing population, it is imperative being entrepreneurs and create the needed jobs to stimulate economic growth and national security. This paper examines the effect of security on the relationship between entrepreneurship and economic growth in Nigeria. It adopted a qualitative technique which involve the use of documents like textbooks, journals, magazines, newspapers, government publications, publications of Non-governmental organizations, internet materials and other documents. The paper identifies; lack of capital, greed, high cost of equipment, etc as challenges of entrepreneurship in economic growth and security. It recommends the following; B. Sc and HND certificates should be recognized by banks and other loan facilitating schemes as collateral for assessing of loans, youth empowerment programs such as N-power and others should grant loans to graduates of tertiary institutions who wants to set up their own businesses at the point of graduation, establishment of farm centers with majority of the employees being the youth, youth empowerment through entrepreneurship development, financial support and provision of equipment needed to start a business.

Keywords: **Entrepreneurship, Development, Youth empowerment, Economic growth and Security**

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Introduction

Entrepreneurship is so essential in a country's economic growth and security. A society or people with risk bearing ability are enterprising, ambitious and courageous, facilitatingquick development of their society and as well considered as entrepreneurs while their action is known as entrepreneurship. Entrepreneurship has no boundary or restraint in terms of religion, race and age or community history. It is an individual prospect regardless of age, qualification, experience or socio-economic history.Entrepreneurship is seen as identification of new opportunities with passionate, relentless and elastic ability to take risk. The implication of this assertion lies on the fact that entrepreneurship could be seen as establishment of new business venture/s within a particular environment by individuals or teams Timmons, (1999).

The ability to establish steady stream of business opportunity can only be identified in any environment where people engages in entrepreneurial activities. Entrepreneurs are very essential and distinct feature in industrial growth and development of a nation. According to Harper (2003), it should be considered as a hub for economic growth. Recent researches (Amolo&Miiro, 2014; Duru, 2011; Okpara, 2007) have it that entrepreneurship constitute a harmonious relationship with economic growth and development. The argument was narrowed to the roles of entrepreneurship in production of goods and services which increases a nation's economic benefits and revenue generation as well as reduction in the rate of unemployment, train and development of economic manpower for increased productivity. Nwangwu (2006), opined that entrepreneurship is dependent on eagerness, openness and readiness of a person or firm to recognize an environmental change and exploit such an opportunity to produce goods and services for public consumption. Entrepreneurship is nothing but the holistic and compendium of attributes in a person that stirred up his conscientiousness in recognizing a cryptic business opportunities together with the capacity to organize needed resources with which to profitably maximizethe opportunities in the face of proper articulated risk and uncertainty (Essien, 2006). Entrepreneurship speaks volume in economic growth and development but has a scanty relationship with security. Thus, the objective of this study is to empirically investigate the mediating effect of security on the relationship between entrepreneurship and economic growth in Nigeria

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Review of related literature

The history of modern entrepreneurs in Africa especially Nigeria was traced to colonial era. Inegbenebor (2006), argued that Nigeria had men and women with modest education and little management skills who were able to conquer some limitations on their path of business by foreign bank owners or foreign policy makers, growing above mere buying agents, representatives of manufacturers in Europe and distributors to foreign companies. This argument allowed Adahet'al (2014), to grouped entrepreneurship into categories (the early and modern stage), the early stage was associated with situations of exchanging the nimiety in production for those products the producer could not produce at that particular time which facilitated the process of specialization as producers were able to produce more of those goods they had advantage and exchanged with the ones they needed. According to Adahet'al (2014), the colonial era marked a watershed on the concept of entrepreneurship bringing to fore, the idea of modern entrepreneurship in Nigeria. The era introduced a trade system that placed Nigerians as middle men that is why the major factors of entrepreneurship development in Nigeria today was embedded on value system orchestrated by formal education. However, the concept of "entrepreneur" was given a concise attention for explanation and understanding of its meaning by Schumpeter(1959), whosees entrepreneur as an innovator. No wonder, he asserted that Entrepreneurship "is carrying out of new combinations,we called enterprise,the individuals whose function is to carry them out we called entrepreneurs". For him, the new combination is made of five aspects, to include;

i. Introduction of new goals,
ii. New methods of production,
iii. Opening up of new markets,
iv. New sources of supply of raw material and
v. New industrial organizations.

Say (1964) in Ezeanyanike (2022), argued that an entrepreneur is one who establishes and operates a new empire of business/s, not minding if the empire is innovative or not.

Scholars of different reputes attempt to define entrepreneurship. According to Okpara (2007), entrepreneurship is a holistic process, involving identification of business opportunities, ideas and

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responsibilities cum initiatives to empower oneself. Oteh, 2009 in Okeke&Eme (2014), opined that entrepreneurship in the view of economist is an assemblage of resources, labor materials cum asserts, with greater output than that of the individual. In lieu of this, Carlssonet'al(2012), argued that it is economic activities by an individual or group of individuals who identifies and establish new business opportunities with the view of pushing conceived ideas to the market with the risk of uncertainty.Stokes (2000), made a shift from the behavioral approach adopted in the above definitions when he opined that entrepreneurship is an agent of change especially to one who is not interested in achieving maximum efficiency in the existing order but seeks for new method or procedure. Nwaizugbo&Anukam (2014), sees entrepreneurs as quality of individual with innovative mindset, ready to take risk, creative, adaptive and task oriented. Entrepreneurship is abehavioral activity with major contributions on economic development. The background is traceable to the origin of man, it indicates to the spirit of enterprisewhich transformed man "from a nomad to a cattle rarer, to a settled agriculturist, to a trader and an industrialist" (Murthy 1989). Empirically, entrepreneurship is measured as self-employment deduced from propagation of ideas for new business while theoretical literature sees it as skills for enterprise (Opara, 2007).

Furthermore, entrepreneurship is a dynamic process that requires navigating a continuum of events and stages influenced by varied factors to succeed. It starts at the gestation stage, here the entrepreneur acquires the capacity and vocation in defining the business idea; the second stage is the start-up, this is the stage of evaluation and organization of resources required for the new business then a consummation or execution stage and finally, growth/maturity or fail stage (Hugo et'al, 2012). Navigating through these dynamic processes or stages is a product of success from a particular stage which requires mixture of skills and enabling condition at each stage. These processes exposes an entrepreneur to risk. No wonder, various studies sees entrepreneurship from the risk bearing perspective.

Entrepreneurship and economic development

One of the fundamental issues in facilitating economic development is embedded on improved standards of living especially for individuals andeconomic growth. Not minding, the concretized nature of economic growth, it is still a fulcrum in developmental policies and trajectory measure for national assessment(Barro

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1991; Sala-i-Martin 1997), understands the nitty-gritty of entrepreneurship in economic development which requires fragmentation of the rudiments, bringing to fore the basic knowledge for conceptualizing the phenomenon. Entrepreneurship is a multifarious phenomenon which could be analyzed from angle of process, resource or state of being (Naude, 2013). The essence of entrepreneurship cannot be overemphasis hence, a tool in diagnosing economic loopholes and challenges (Baum et'al, 2007). The centrality of entrepreneurship in economic development is not an undermined factor. No wonder, Naude (2013), opined that entrepreneurship is a prima for employment and job creation which in turn leads to economic growth and development.

According to Burns (2011), a scientific study obtained from evolutionary theory has it that entrepreneurship instigates and innervate the spirit of development in three major dimensions;

1. It accelerates numerical strength of enterprises and as such encourages competition which necessitate growth.
2. It brisk indirect effect of public expenditure by converting knowledge from its root age across the boundaries of the organization. Such knowledge forms a fulcrum and essential tools necessitating internal growth.
3. It encourages noticeable heterogeneity among enterprises. The varieties and uniqueness of the enterprise accelerates economic development.

Another argument by Acs(2010), sees entrepreneurship as an agent of economic development via its contributions through employment, innovation and welfare. It is a statement of fact establishing the inroads of entrepreneurs in economic development viz-vis allotment of optimized productive resources. Furthermore, Harper (2003), opined that economic development necessitate gross, unwitting consequences of byzantine and multitudinous prowls of entrepreneurial inventions.

Development is a wider concept anchored on the welfare of humanity and improved standard of living. A major constrain in economic development lies on improving the standard of living and holistic economic growth, notwithstanding that economic growth is a rather narrow target but an essential instrument for development policies.

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Currently, research evidences has it that entrepreneurship is a compelling factor for economic development and necessitate the inclusion of entrepreneurship as a fourth factor of production in the macroeconomic function Entrepreneurship is an enabler for wealth creation especially in combination with other factors of production(Audretsch and Keilbach, 2004). On the hand, scholars such as; Baumol (1990); Powell (2008); Boettke and Coyne (2003),argued that entrepreneurs with proper institutional setting unlocks economic development. Usually, factors of production such as; capital, labour, technology and entrepreneurship are considered fulcrum of economic development without bringing to fore, the essential role of institutions. The role of entrepreneurship is usually underestimated hence a level growth-oriented entrepreneurship is a propelling force of economic growth than self-employment and new firm formation which was its initial position.

Limitations of Entrepreneurship Development in Nigeria

The huddles responsible for lack of entrepreneurship development in Nigeria includesamong others; greed on the part of our leaders, lack of capital, misuse of loan, administrative bottlenecks involved in obtaining loan from financial institutions, cost of equipment and lack of power supply.

1. **Greed on the part of our leaders:**The essentials of entrepreneurship development to economic growth necessitate the need for government support. However, the leadership system in Nigeria is orchestrated with greed, instead of fascinating policies that encourages local industries, reduction of taxes and loan facility, Nigerian leaders prefer to import commodities such as wheat, fish etc, which could be produced locally and also creates jobs for the youths. This argument is supported by the assertive report of Jonathan (2012), who lamented over the high cost of importing food items that could be produced locally.

2. Lack of capital: Business at any level requires capital and this has been aconstraint to entrepreneurship development especially in Nigeria. The policies in obtaining loans and other credit facilities is a hard nut to crack. Accessing loan/s in Nigeria is embedded on amount of collateral and a young graduates with entrepreneurial skill but without collateral is left out in the process. Another problem relating to issue of capital formation with regards to entrepreneurship anchors oninterest rate. Rates associated to borrowing

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in Nigeria is so high and this deters entrepreneurs from accessing loans to facilitate the growth of local industries(John, 2022).

3. Bottlenecks involved in obtaining loan: We must recognize the fact that government creates some entrepreneurial loan schemes such as Agricultural and Cooperative Bank, Nigeria Bank for Commerce, Industries etcfor small and medium enterprise but our argument is on the bottleneck associated in accessing the loans from the schemes. The requirement for accessing loans from the schemes is still narrowed on collateral and guarantors. Most times, collaterals in this regard requires properties like buildings and lands with certificate of occupancy which is a hard measure for small and medium entrepreneur, a young graduate who wants to star life. We are lift in doubt and curiosity towards the rationale in establishment of the schemes hence, the requirement associated in accessing loans necessitate the inability of small and medium enterprises in achieving their dreams and the dream at which the scheme was established (Ezeanyanike, 2022).

4. Cost of equipment: High cost of equipment is a major challenge for small and medium enterprises. For technical graduates who cannot afford capital and bank collateral but needed machines such as; circular saw machine, surface planer, bandsaw machine, milling machine, lathe machine, concrete mixer, block molding machine and so on, it will be difficult for such graduates in these field of life to produce hence, expensive nature of the equipment (Igwenazor, 2022).

5. Lack of power supply: Organizations at every level requires electricity in production hence, the endemic and epileptic nature of power supply affects the cost of production as enterprises resorted to the use of generators and plant with the high cost fuel. It is also arguable that the increase in tariff by electricity distribution companies has also affected production and reduce profits of these small and medium enterprises even leading to business closure (Igwenazor, 2022).

Security and Entrepreneurship Development

The effects of security on entrepreneurship developmentis visible in effective implementation of policies, compulsory literacy at all levels,recognition of certificates as collateral for accessing loan/s, establishment of farm centers and industries/organizational value chain.

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1.**Effective implementation of policies on entrepreneurship:** Policy implementation is a problem in Nigeria and that of entrepreneurship is not an exception. Most times, entrepreneurship policies do end up half-hazard if not at the statement level. It is required that policies of entrepreneurship should be monitored, supervised and programs evaluated to achieve effective result (John, 2022).

2. Compulsory literacy at all levels: Education is a vital instrument for exposure of both mental and skills requires in business management. An illiterate individual must be constrain and limited in the horizon of business opportunities. Therefore, it is necessary that government at all levels must endeavor and intensify effort to ensure that majority of the citizenry are literate to enable the ability to manage businesses (John, 2022).

3. Recognition of certificates as collaterals: Certificates of graduates should be recognize as collateral for accessing loans. This will encourages entrepreneurship development and reduce unemployment cum crime as most graduates will find it easy to access loans using their certificates. It will also facilitate the need for education among the citizenry and the value attach to it (John, 2022).

4. Establishment of farm centers: Government should endeavor to establish farm centers as it was in 1970s and 1980s, to reduce both unemployment and importation of food using the nations' scarce resources but it must be made known to the employees that salaries will be paid based on the profit accrued from the farm to avoid mismanagement of resources. Consequence of mismanagement should be dismissal (Ezenanynike, 2022).

5. Industries and organizational value chain in entrepreneurship development: There is no gain mentioning the contributive roles of organizations like MTN, GLO and AIRTEL in the development of the country. These contributions are evident in their value chains. For instance, creating recharge cards, selling of them, call centers etc, could bring about youth engagement in entrepreneurship and subsequently reduce insecurity since, the engagement of youth in productive activities (Igwenazor, 2022).

Conclusion

Entrepreneurship is a creative and innovative mechanism employed in the provision of services that gears towards meeting the needs of the people in a given environment. The success of every enterprise is

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dependent on its innovative and creative ability in checkmating the competitive nature of the market. An entrepreneur without innovation ideas is bound to lose his/her customer.Entrepreneurship development is a vital instrument of economic growth and national security which should encouraged by government policies in other to reduce the level of insecurity in the society. It is evident that insecurity is a by-product of unemployment, idleness and poverty. Therefore, a developed entrepreneurship system will not only create and engage the youth but reduce the level of crime in the society. When security is guarantee, investors will make profit and tax paid to the government.

Recommendations

We anchor our recommendations on the following;

1. Government should make policies that will allow banks and other loan facilitating schemes to recognize academic certificates as collateral for assessment of loans while those without formal education should provide lands and other properties and collateral.
2. Government youth empowerment programs such as N-power and others should make available loans for graduates who wants to set up their own businesses at the point of graduation.
3. Government at all levels are to establish farm centers with majority of the employees being the youth. This will not only reduce unemployment but boast economic growth. The amount of money use for importation of food items will be channeled to other aspect of the economy.
4. CBN, MTN, GLO etc should contribute more in youth empowerment through entrepreneurship development, financial support and provision of equipment needed to start a business.

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