

## Entrepreneurship in Underdeveloped Economies: A Study of Nigeria

Abubakar Sadiq Kasum\*, Umar Gunu\*\*

*Against the background of the importance of entrepreneurship to economic growth and development, this paper investigates the potential for achieving growth and development through entrepreneurship in underdeveloped economies. Specifically, the study investigated the availability of the environment for and the extent to which individuals and groups are able to recognize/create opportunity for providing goods and services; and the extent to which they are able to utilize such opportunities. The study collected primary data about the environment for entrepreneurship development in Nigeria, the extent and nature of opportunity creation and the prospect for carrying through innovations in the country. The data were collected from entrepreneurs and entrepreneurship professionals, using a well-structured questionnaire administered to a sample of 360 respondents, drawn from among the groups. The responses were analyzed using Kruskal Wallis and Wilcoxon Signed Rank Tests. The study revealed that Nigerians are innovative and enterprising. It also revealed that infrastructural facilities, funding, and entrepreneurship education are significant impediments. The study also showed that economic growth in Nigeria is influenced by entrepreneurship growth, therefore the slow growth in entrepreneurship development in Nigeria contributed to the underdeveloped status of the economy. The study recommended specific solutions to the different entrepreneurship problems identified in the study.*

**Keywords:** entrepreneurship, development, innovation, opportunity, necessity.

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### Przedsiębiorczość w gospodarkach słabo rozwiniętych na przykładzie Nigerii

*W artykule zbadano możliwość osiągnięcia wzrostu i rozwoju dzięki przedsiębiorczości w gospodarkach słabo rozwiniętych w kontekście znaczenia przedsiębiorczości dla wzrostu i rozwoju gospodarczego. W szczególności analizie poddano istnienie odpowiednich warunków i zakres, w jakim jednostki i grupy są w stanie rozpoznać/stworzyć możliwości dostarczenia towarów i usług, a także stopień, w jakim są one w stanie wykorzystać takie możliwości. W ramach badania zebrano podstawowe dane o środowisku dla rozwoju przedsiębiorczości w Nigerii, zakresie i charakterze tworzonych możliwości oraz perspektywach wprowadzania innowacji w kraju. Dane zebrano od przedsiębiorców i specjalistów ds. przedsiębiorczości przy wykorzystaniu odpowiednio ułożonego kwestionariusza skierowanego do próbki 360 respondentów wybranych spośród grup. Odpowiedzi zostały przeanalizowane za pomocą*

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\* **Abubakar Sadiq Kasum**, PhD, FCA, CVA – Head, Department of Accounting.

\*\* **Umar Gunu**, PhD – Director, Technical and Entrepreneurship Center University of Ilorin.  
Mailing address: University of Ilorin; P.M.B. 1515, Ilorin, Nigeria; e-mail: abusk@unilorin.edu.ng; umargunu@gmail.com..

*testu Kruskala Wallisa i testu Wilcoxon dla par obserwacji. Badanie wykazało, że Nigeryjczycy są innowacyjni i przedsiębiorczy, jak również, że źródłami znaczących utrudnień są infrastruktura, finansowanie i edukacja w zakresie przedsiębiorczości. Badanie pokazało, że wzrost przedsiębiorczości wpływa na wzrost gospodarczy w Nigerii, a zatem powolny rozwój przedsiębiorczości w tym kraju przyczynił się do tego, że gospodarka nigeryjska jest słabo rozwinięta. W badaniu wskazano konkretne rozwiązania różnych zidentyfikowanych problemów dotyczących przedsiębiorczości.*

**Słowa kluczowe:** przedsiębiorczość, rozwój, innowacja, możliwość, konieczność.

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## 1. Introduction

Entrepreneurship is no doubt very important to human welfare. It is important to human welfare both directly and indirectly. Entrepreneurship is directly important to the entrepreneur, and it is both directly and indirectly important to people around the entrepreneur, the community, and the country where the entrepreneur operates, and the world at large.

Entrepreneurship has also been so much linked with development. One of the important connections of entrepreneurship and development is in the established fact that the level of development is associated with the nature and type of entrepreneurial activities. Entrepreneurship in developing countries is driven by poverty, survival, and lack of choice in work to start business ventures, and entrepreneurs there are mostly involved with primary level trading and agricultural activities, while those in the developed countries are driven by opportunity and innovation, and the types of activities engaged in reflect a high level of knowledge and innovation.

Another important connection of the two is that entrepreneurship enhances development, and development also provides an enabling environment for entrepreneurship. By creating jobs, providing goods and services, which may cover items that indicate development, entrepreneurship may lead to economic growth and development. On the other hand, development also provides the enabling environment for entrepreneurship to thrive. A developed economy will have the social and infrastructural facilities that will enable entrepreneurs to be imaginative;

that will enhance skills and knowledge; that will provide opportunities and above all support the operations of entrepreneurs.

Further to the above, entrepreneurship in developing countries has been characterized by negativities and obstacles. Such challenges are found in funding, government policies, knowledge and skills, infrastructural facilities, technological deficiency, competition (foreign), and more. These challenges prevent entrepreneurial interest of prospective entrepreneurs and hinder the performance of existing ones, thereby limiting the contribution of entrepreneurship to human welfare and consequently economic growth and development. These can even be said to be part of the reasons that less developed nations are yet to be developed.

It is against this background that this study investigated the nature of entrepreneurship in developing countries using Nigeria as a case study. Specifically, the study investigated the drivers and available attractions to entrepreneurship in developing countries. It also investigated the challenges, problems, and disincentives to entrepreneurial activities and their impact on entrepreneurial development. Finally, the study investigated the contributions of government to entrepreneurship, the level of entrepreneurial development, and areas of opportunities in Nigeria.

The remaining part of this paper is divided into three parts. Section two is for Literature Review, three for Methodology, and four is for result and conclusion.

## 2. Literature Review

### Concept of Entrepreneurship

Entrepreneurship has been defined by various scholars from different perspectives. Entrialgo, Fernández, and Vázquez (2001) define entrepreneurship citing Miller (1983) as any behavior which includes high scores on the dimensions of innovation, pro-activeness, and risk-taking. Another behavioral view of entrepreneurship is by Sternberg and Wennekers (2005) that refers to it as 'entrepreneurial behavior' in the sense of seizing an economic opportunity. Innovator or pioneer was considered a synonym for entrepreneur in this sense. In the same vein, Klein and Cook (2006) cited Schultz in describing entrepreneurship as aspect of all human behavior in the ability to adjust or reallocate resources in response to changing circumstances.

Robinson, Blockson, and Robinson (2007) define entrepreneurship as 'the process of identifying, evaluating, and pursuing opportunities' (p. 3). It has also been described as 'the process of bringing inputs, technologies, and output markets together' (Van der Sluis, Van Praag and Vijverberg, 2005). Schumpeterian scholars defined entrepreneurship as the discovery of opportunities and the subsequent creation of new economic activity, often resulting in the creation of new organizations (Rocha and Sternberg, 2005). In the two last cases, it is considered that new venture creation could be said to be the hallmark of entrepreneurship (Sternberg and Wennekers, 2005). There is also the much criticized notion of entrepreneurship as referring to owning and managing a business on one's own account and risk (Sternberg and Wennekers, 2005).

Audretsch, Thurik, Verheul, and Wennekers (2002) summarized these by distinguishing between a demand side and a supply side of entrepreneurship. The demand side of entrepreneurship refers to the opportunities available for starting a business and to the viable number of enterprises, based on the carrying capacity of existing and new markets. The supply-side of entrepreneurship refers to the pool of relevant preferences, skills, and resources embedded in the individuals of a population (Audretsch et al., 2002 cited in Sternberg and Wennekers, 2005).

Based on the various definitions of entrepreneurship, Phillips and Tracey (2007) assert that 'entrepreneurial opportunity recognition is the ability to identify situations in which new goods, services, raw materials, markets and organizing methods can be introduced through the formation of new means, ends, or means-ends relationships'. They also argued that an entrepreneurial capability is 'the ability to identify a new opportunity and develop the resource base needed to pursue the opportunity'.

### 3. Characteristics of Entrepreneurs

Academics have described an entrepreneur as having some unique qualities and characteristics. According to Phillips and Tracey (2007), identifying and selecting the right opportunities for new businesses are among the most important abilities of a successful entrepreneur. In a more elaborate study, Klein and Cook (2006) captured some of the qualities associated with entrepreneurs in literature. According to them, on one side, emphasis is on the personal, psychological characteristics of the entrepreneur, and based on that 'entrepreneurship is often associated with boldness, daring, imagination, or creativity'. On the other hand, 'another strand of literature, incorporating insights from economics, psychology, and sociology and leaning heavily on Max Weber, associates entrepreneurship with leadership'. 'Entrepreneurs, in this view, specialize in communication—the ability to articulate a plan, a set of rules, or a broader vision, and impose it on others' (Klein and Cook, 2006).

Entrepreneurship is also associated with alertness. An entrepreneur is alert to profit and opportunities to profit. In a more typical case, the entrepreneur is alert to a new product or a superior production process and steps in to fill this market gap before others. Also, there is the Schumpeterian view that entrepreneurs could be managers or owners of firms but are more likely to be independent contractors or craftsmen (Klein and Cook, 2006).

Close to the above was Ripsas (1998) description of an entrepreneur as a risk/uncertainty bearer, an innovator, an alert discoverer, and a coordinator. As a risk bearer, the entrepreneur undertakes to pay providers of resources without assurance

of the profit that he will derive from the enterprise. As an innovator, according to Ripsas (1998) citing Schumpeter, the entrepreneur introduces a new good or a quality of a good; introduces a new method of production, something as yet untried in the industry; opens a new market; utilizes some new source of supply for raw materials or intermediate goods; and carries out some new organizational form of the industry. As a discoverer, he is alert to economic opportunities, uses information to his advantage for his own profit. And as a coordinator, the entrepreneur 'specializes in taking judgmental decisions about the coordination of scarce resources' (Ripsas, 1998).

#### **4. Importance/Functions of Entrepreneurship**

Entrepreneurship is increasingly recognized as important for economic organization and development with the role it plays in economic change (Klein and Cook, 2006). Entrepreneurs can create ventures that create wealth and allow the entrepreneurs and their families to move from lower-status to higher-status positions, and they can play a role in addressing the challenges of a fractious, stratified society (Robinson et al., 2007). It is considered to be an important mechanism for economic development through employment, innovation, and welfare effects (Acs, Desai and Hessels, 2008).

Entrepreneurship can offer substantial non-pecuniary returns. It is a source of independence, a positive change in lifestyle and a sense of achievement, of identity and of being accepted (Naudé, 2010). A small but significant proportion of business start-ups introduce new knowledge to the economy. The knowledge is embedded in new products or new ways of producing an existing good or service. Entrepreneurship enhances competition and innovation, and competition contributes to a continuous restructuring of the economy. Entrepreneurial activity also 'offers opportunities for learning, by surmounting obstacles, through high levels of responsibility and autonomy, and by maintaining relationships with customers, business partners and advisors' (Sternberg and Wennekers, 2005).

#### **5. Entrepreneurship and Economic Development**

The relationship between the economy and entrepreneurship has been established in literature to be bidirectional. 'Entrepreneurship as much depending on economic development and growth and vice versa' (Naudé, 2010). The economic environment influences entrepreneurship, and entrepreneurial activities have significant influence on the economy. The environment shaping the economy affects the dynamics of entrepreneurship within any given country (Acs et al., 2008), and entrepreneurship can also contribute to multi-dimensional well-being by what people can achieve through their capabilities (Naudé, 2013). For example, Carree and Thurik (2002) observe that a set of literature has claimed that unemployment stimulates entrepreneurship, while a different set claimed that a higher level of entrepreneurship reduces unemployment. However, this relationship rather seems to be ambiguous and confusing.

The nature and impact of entrepreneurship has also been established in literature to be determined by the level of development of countries. Specifically, the nature and impact of entrepreneurship has been established to vary between developed and developing economies. The dynamics of entrepreneurship can be vastly different depending on the institutional context and the level of economic development (Acs et al., 2008). According to Rosa, Kodithuwakku, and Balunywa (2006), people from the poorest developing countries are driven by poverty, survival, and lack of choice in work to start business ventures, while those in the developed countries are driven by opportunity and innovation that is the primary motivator for starting businesses. Acs (2006) posits that 'in the poorest countries, where rates of entrepreneurial activity is high, entrepreneurship is based on economic necessity, and the entrepreneurs have proportionately lower education.' while in 'the most developed countries, however, a higher rate of entrepreneurial activity means it is inspired by opportunity, innovation, and a boom in services'. Acs (2006) further indicates that the ratio of opportunity to necessity entrepreneurship is a key indicator of economic development.



Economic development is associated with more and more of the population becoming involved with opportunity entrepreneurship and more and more people leaving necessity entrepreneurship. Therefore, countries with high levels of necessity entrepreneurship get ranked the same as countries with low levels of entrepreneurship, while countries where more entrepreneurship is motivated by an economic opportunity rather than by necessity have higher levels of income (Shrivastava and Shrivastava, 2013).

According to Acs et al. (2008), the nature and structure of entrepreneurial activities varies across countries as reflected by the relative volumes of necessity and opportunity entrepreneurs. Citing the work of Porter, Acs et al. (2008) distinguished between three stages of competitiveness and two transition stages between the three, according to country economic development. At the factor-driven stage (marked with high rates of non-agricultural self-employment), countries compete through low-cost efficiencies in the production of commodities or low value-added products. To transit to the next stage, countries must increase their production efficiency and educate the workforce. The second stage is the efficiency-driven stage, which is marked by decreasing rates of self-employment. The innovation-driven stage is the third stage, and it is marked by an increase in entrepreneurial activity. Therefore, while most developed countries are in the innovation-driven stage, most developing economies, including Brazil, Russia, India, and China (BRIC countries), are in the efficiency-driven stage (Acs et al., 2008).

As the nature of entrepreneurial activity differs, so also does the economic importance, and the environment of new business creation differs across the different stages of nations' economic development (Sternberg and Wennekers, 2005). Entrepreneurs 'trigger' an investment in the modern sector once they have perceived profitable opportunities and facilitate the re-allocation of production factors from the traditional to the modern sector (Naudé, 2013). On the other hand, many scholars consider MSEs, including informal and 'survivalist-type' entrepreneurs, in developing countries to be important for poverty alleviation, for growth, and for

structural change. Also, entrepreneurs in countries ravaged by armed conflicts do not always have the same opportunities as those in stable, growing, and highly innovative milieus (Naudé, 2010), whereas the causality that runs from entrepreneurship to development may as well run from development to entrepreneurship (Naudé, 2013), which may favor entrepreneurs in developed countries.

However, Baumol (1990) argues that sometimes entrepreneurs, rather than contributing positively to the economy, may lead a parasitical existence that may damage the economy. The entrepreneur's acts in any country, whether developed or developing, depend largely on the nature of reward systems and allocation of resources which Baumol (1990) describes as the rule of the game. Baumol cited in Naudé (2013) describes entrepreneurs as people who are ingenious and creative in finding ways that add to their own wealth, power, and prestige. Expanding on the counter-productivity of entrepreneurs, Dejardin (2000) refers to rent-seeking entrepreneurs as a behavior that can damage the economy. Rent-seeking includes acts such as 'corruption, stealing, bribery as well as seeking abusive judicial compensation or seeking protection with the express purpose of limiting economic competition' (Dejardin, 2000, p. 8). According to Dejardin (2000), the effect of the practice of unproductive but still profiting activities like rent-seeking on economic growth is its direct potential of diverting entrepreneurial talents.

Entrepreneurship appears to play a key role in the economic development of a country where environmental conditions are set to support entrepreneurial acts (Maurice and Pelagie, 2015, p. 81). However, environmental conditions in Africa, particularly Nigeria, are still hindering the development of entrepreneurship.

## 6. Entrepreneurship in Nigeria

Although entrepreneurship is a global phenomenon, the push for entrepreneurship in Nigeria has been a result of constant internal and external pressures of low-capacity production, massive unemployment and poverty, collapsed infrastructural facilities, poor governance structure, massive corruption, insecurity of

life and property, political instability, and poor macroeconomic management (Duru, 2011). Nigeria as a country has numerous business and investment potentials due to the abundant, vibrant, and dynamic human and natural resources it possesses. Despite this, performance and effectiveness of entrepreneurs in the country as an instrument of economic growth and development have long been under scrutiny. This intense scrutiny has been against the backdrop of the low performance and inefficiency that characterized small business particularly in assessing its role on economic growth and development (Ihugba, Odii and Njoku, 2013).

Like in other nations, the two major key players in promotion of entrepreneurship, the government and the academics (Baumol, 2004), in Nigeria have demonstrated a strong commitment to promoting entrepreneurial spirit among the citizens and attracting foreign investors over the last decades. However, their efforts seem not to have made much impact. Observation and consideration of this matter according to Baumol (2004) suggest that a major key element missing in most underdeveloped economies, particularly like that of Nigeria, is productive entrepreneurs who are willing to work under the incentive to innovate. Another constrain to entrepreneurs in Nigeria is similar to what Baumol (2004) identifies to be political changes, institutional development, evolution of religious beliefs as well as historical accidents.

## 7. Methodology

### Research Design

The study was an exploratory survey research that collected primary data from respondents. The perceptions of entrepreneurs and entrepreneurship professionals were the primary data collected. The data were collected through administration of a questionnaire, which was structured along the inverted funnel method with questions from demographic characteristics through personal opinion to general observation. The nature of data collected is basically of the perception and observation of respondents that have been mentioned above. A total of 360 samples were drawn, and the questionnaires were administered to them. Out of these, 312 questionnaires were returned and were

used in the study. Our population size could be referred to as a large population, and a sample as big as this is said to be adequate a representation.

Data were collected on a Likert scale of 1–5 or 1–4, as appropriate. The data collected were presented in percentages for first hand descriptive analysis. This enabled a description of the perceptions of the respondents on the nature of entrepreneurship activities in Nigeria. For inferential analysis, the data collected, which were obviously on different scales, were first converted to a uniform scale of 1–10; the data were then ranked and analyzed.

Two types of hypotheses were tested in the study. The two were tested using nonparametric statistics since the data collected are in an ordinal scale. Kruskal Wallis was used for the category that compared three independent samples, while Wilcoxon Signed Rank Test was used for two related sample tests.

### Hypotheses

#### Hypothesis 1

$H_{01}$ : Disincentives are challenges to entrepreneurship development

$H_{02}$ : Problems of entrepreneurs are challenges to entrepreneurship development

#### Hypothesis 2

$H_{01}$ : Entrepreneurship attraction contributes to economic development

$H_{02}$ : Level of entrepreneurial development contributes to economic development

#### Hypothesis 3

$H_0$ : Challenges to entrepreneurship development are challenges to economic development

### Statistics

#### Kruskal Wallis

$$H = \left[ \frac{12}{N(N+1)} * \sum_i^g \frac{T_i^2}{n_i} \right] - 3 * (N+1)$$

where:

$N$  = Total number of observations

$T$  = Sum of group rank

$n$  = Number of observations in a group

## 8. Results and Conclusions

### Results

#### *Descriptive Statistics*

The data collected as extracted from the questionnaire were presented in percentages in the following tables.

Questions 1 to 8 were for demographic data excluded from this section.

From Table 1, 64% of the respondents agree that the majority of individuals have the capacity to be entrepreneurs. 65% of them also agree that entrepreneurship contributes to economic development.

Table 1. *Entrepreneurship capabilities*

Options	Strongly disagree %	Disagree %	Indifference %	Agree %	Strongly agree %
Entrepreneurship contributes significantly to economic growth and development	9	4	12	26	49
Development of entrepreneurial skill/ability is a possibility for the majority of human beings	6	6	24	55	9

Source: *Field Study, 2015.*

Table 2. *Factors that drive entrepreneurship in Nigeria*

Drivers	Never %	Rarely %	Possibly %	Likely %	Always %
Locus of control/Self-belief	0	6	28	32	34
Need to achieve	2	7.5	32	24.5	34
Innovativeness/Creativity	2	8	22	30	38
Risk-seeking	4	15	32	32	17
Autonomy	2	15	40	26	17
Culture/Ethnicity	2	32	22	38	6
Education	19	31	12	19	19
Opportunity	6	23	26	24.5	21

Source: *Field Study, 2015.*

Table 3. *Impact of support and incentives*

Options	Strongly disagree %	Disagree %	Indifference %	Agree %	Strongly agree %
Support and incentives are attractions to entrepreneurs	9	6	23	32	30

Source: *Field Study, 2015.*

Table 4. Available attractions to Nigerian entrepreneurs

Attractions	Never %	Rarely %	Possibly %	Likely %	Always %
Business training	4	21	26	23	26
Technical training	2	19	38	26	15
Tools, equipment, machinery	8	34	21	28	9
Business advice, information, counseling	0	19	40	28	13
Market and marketing support	2	23	24	30	21
Financial support	0	32	23	21	24
Infrastructure	8	43	17	15	17
Enabling policies and laws	2	34	28	21	15

Source: Field Study, 2015.

Table 5. Possibility of entrepreneurship contribution to development

Options	Strongly disagree %	Disagree %	Indifference %	Agree %	Strongly agree %
Entrepreneurship contributes to growth and development by contributing to development drivers	7	4	23	36	30

Source: Field Study, 2015.

Table 6. Entrepreneurship contribution to economic development drivers in Nigeria

Drivers	Weakly %	Fairly %	Adequately %	Strongly %
Employment generation	6	26	28	40
Production of goods and services	7.5	24.5	30	38
Wealth creation	4	28	36	32
Tax and other revenues to government	11	41.5	40	7.5
Foreign exchange earnings	21	34	36	9
Technology and innovation	13	38	36	13
Investment and capital formation	6	37	34	23

Source: Field Study, 2015.



Table 7. Level of entrepreneurship development in Nigeria

Bases	Weak %	Fair %	Good %	Strong %
Entrepreneurship mindset	9	42	38	11
Development of vision and idea	6	36	49	9
Entrepreneurship environment	23	52	21	4
Entrepreneurship education and skill	21	32	41	6
Entrepreneurship incentives and support	30	47	17	6
Technology and innovation	30	42	26	2
Government policy and support	34	45	17	4
Entrepreneurship contribution to economy	17	21	49	13

Source: Field Study, 2015.

Table 8: Government support and incentives for entrepreneurial activities in Nigeria

Areas	Weak %	Fair %	Good %	Strong %
Entrepreneurship policies and legislation	30	43	21	6
Entrepreneurship education and awareness	23	43	34	0
Enabling environment	40	41	15	4
Infrastructural development	45	36	17	2
Technical support	38	43	15	4
Funding and financial support	40	43	15	2
Protection from local and foreign threats	49	32	13	6

Source: Field Study, 2015.

Table 9. Disincentives to entrepreneurship in Nigeria

Disincentives	Never %	Rarely %	Possibly %	Likely %	Always %
Uncertainty of income	6	15	36	26	15
Risk of losing investment	4	13	40	28	15
Longer and harder hours of work	4	19	32	30	15
Complete responsibility	8	13	40	26	13
Unstable economic environment	0	11	19	32	38
Infrastructure deficiencies	4	11	21	24	40
Policies and laws	0	8	38	26	28

Source: Field Study, 2015.

Table 10. Problems of Nigerian entrepreneurs

Problems	Never %	Rarely %	Possibly %	Likely %	Always %
Lack of experience and business ideas	4	19	26	30	21
Poor funding	2	4	26	25	43
Employee and work team problems	2	15	32	32	19
Poor financial control	2	15	26	25	32
Weak marketing efforts	4	13	34	28	21
Failure to develop a strategic plan	2	17	13	45	23
Poor location	2	11	32	32	23
Local and foreign competition	0	17	25	26	32
Pricing and cost control	0	6	41	30	23

Source: Field Study, 2015.

Table 11. Challenges of entrepreneurship development in Nigeria

Challenges	Never %	Rarely %	Possibly %	Likely %	Always %
Entrepreneurship policies and legislation	2	25	31	17	25
Entrepreneurship education and awareness	2	11	43	19	25
Enabling environment	4	13	26	23	34
Infrastructural development	4	17	19	26	34
Political environment	8	11	15	42	24
Security	8	21	23	15	33
Capital or credit facilities	0	17	30	17	36
Corruption in government	8	8	17	19	48
Importation	0	15	25	26	34
Taxation	8	11	30	28	23

Source: Field Study, 2015.

Table 12. Areas of prospects for entrepreneurs in Nigeria

Areas	Never %	Rarely %	Possibly %	Likely %	Absolutely %
Agriculture	6	4	30	19	41
Mining	4	26	25	28	17
Manufacturing & Production	0	6	24	36	34
Service	0	13	26	36	25
Technology (IT)	4	8	26	30	32
Distribution	2	9	23	30	36
Trade/Business	2	8	13	28	49
Artisanship	2	17	9	34	38
Tourism	6	28	15	38	13

Source: Field Study, 2015.

Table 2 shows that 51.5% of the respondents are of the opinion that the factors listed will always or likely drive entrepreneurship in Nigeria, while 21% of the respondents are of the opinion that the factors will never or rarely do. In line with that, innovativeness/creativity is the major factor that drives entrepreneurship in Nigeria, with 38% expecting it to always do, and 30% also expecting to likely drive entrepreneurship. Only 2% of the respondents are of the opinion that it never, and 8% of the opinion it rarely, does. Apart from creativity, locus of control/self-belief is also an important factor that drives entrepreneurship in Nigeria – 34% of the respondents opine that it will always do, and 32% are of the opinion that it will likely drive entrepreneurship. The need to achieve also got a high score as a driver, with 34% expressing an ‘always’ opinion, and 32% giving a ‘likely’ response. Other factors, but with low scores, are opportunity, education, culture and ethnicity, risk-seeking, and autonomy.

On Table 3, 30% of the respondents strongly agree that support and incentives are attractions to entrepreneurs, and 32% also agree, while 15% disagree. On average, 41.5% of the respondents are of the opinion that support and incentives are always and likely attractions to entrepreneurs, while 31.3% opine that they are rarely or never so. Business trading, financial support, market and marketing support are the leading incentives that are available as attractions to Nigerian entrepreneurs, with 26%, 24%, and 21% respectively stating that they always are, and 23%, 21%, and 30% respectively stating that they likely are. Other factors that facilitate entrepreneurs in Nigeria are infrastructure, technical rating, and enabling policies and laws.

Table 5 on entrepreneurship development in Nigeria, 6.88% of the respondents believe that entrepreneurship development is strong, 32.25% are of the opinion that it is good, while 21.25% and 39.63% are of the opinion that it is weak and fair respectively. Development of vision, entrepreneurship contribution to economy, entrepreneurship education and skill, and entrepreneurship mindset are good in Nigeria but not strong, with the respondents’ opinion of 49%. 41%, and 38%. Entrepreneurship environment, entrepreneurship incentives, technology

and innovation, and government policy and support are fair in Nigeria, with 52%, 47%, 42%, and 45% respectively of the respondents having the opinion.

Table 7 shows that 63% of the respondents agree that entrepreneurship contributes to growth and development by contributing to drivers of economic development. On the average, 57.5% of the respondents are strongly or adequately of this opinion, while 42.5% fairly and weakly opine so. Employment generation, production of goods and services, and wealth creation are the major areas that entrepreneurs contribute to in Nigeria, with 40%, 38%, and 32% strong opinion respectively; and 28%, 30%, and 36% with opinion of adequate scores.

Government support and incentives for entrepreneurial activities in Nigeria are very low, with 18.57% of the respondents supporting that government contribution is good, and 3.43% are of the opinion that it is strong. On the other side, 40.14% and 37.86% have their opinion on government contribution to be fair and weak respectively. Entrepreneurship education is the only area where government support and incentives are good, with 34%; entrepreneurship policies and legislation, enabling environment, infrastructural development protection from local and foreign threats, financial and technical support are fair or weak, with 73%, 81%, 81%, 81%, 83%, and 81% respectively.

Table 9 shows that 50% of the respondents agree that there are disincentives to entrepreneurship in Nigeria. On disincentives to entrepreneurship in Nigeria, 23.4% of the respondents are of the opinion that there are always disincentives, 27.4% are of the opinion that they likely exist, while 12.95% and 3.7% of the respondents are of the opinion that they rarely or never occur. Infrastructure deficiencies and unstable economy are the major disincentives to entrepreneurship in Nigeria, with 70% and 64% of ‘always’ or ‘likely’ opinions, respectively. Risk of losing investment, longer and harder hours of work, policies and laws, and uncertainty of income are also disincentives to entrepreneurship in Nigeria.

On Table 10, 57% of the respondents confirm the presence of those problems faced by Nigerian entrepreneurs. Respondents’ opinions show that all the

listed problems seem to have a serious impact on entrepreneurs. The listed problems are: poor funding, weak marketing efforts, lack of experience and business ideas, poor location, and others. Major challenges confirmed to be marring entrepreneurship development include enabling environment, infrastructural development, political environment, corruption in government, and importation.

The respondents also confirm that opportunities abound in agriculture,

manufacturing, IT, service, mining, and trade/business for Nigerian entrepreneurs.

#### *Inferential Statistics*

#### **Nonparametric Tests**

Data set 1 below relates to hypothesis one. The test was based on data of Tables 9, 10, and 11 above, which captured data on disincentives to entrepreneurship, problems of entrepreneurs, and challenges of entrepreneurship development. The

[DataSet1]

#### **Hypothesis Test Summary**

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of Rank of VAR00009 is the same across categories of VAR00007.	Independent-Samples Kruskal-Wallis Test	.562	Retain the null hypothesis.
2	The distribution of VAR00010 is the same across categories of VAR00007.	Independent-Samples Kruskal-Wallis Test	.493	Retain the null hypothesis.
3	The distribution of VAR00011 is the same across categories of VAR00007.	Independent-Samples Kruskal-Wallis Test	.549	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

[DataSet2]

#### **Hypothesis Test Summary**

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of VAR00004 is the same across categories of VAR00007.	Independent-Samples Kruskal-Wallis Test	.441	Retain the null hypothesis.
2	The distribution of VAR00005 is the same across categories of VAR00007.	Independent-Samples Kruskal-Wallis Test	.547	Retain the null hypothesis.
3	The distribution of VAR00006 is the same across categories of VAR00007.	Independent-Samples Kruskal-Wallis Test	.456	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

[DataSet3]

### Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The median of differences between Rank of VAR00003 and Rank of VAR00006 equals 0.	Related-Samples Wilcoxon Signed Rank Test	.986	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

analysis was therefore of the ranked responses in the three categories. The Kruskal Wallis Test above suggests that the study should retain our null<sub>1</sub> &<sub>2</sub> hypothesis 1. The implication is that disincentives to entrepreneurship and problems faced by entrepreneurs constitute challenges to entrepreneurship development in Nigeria.

Data set 2 relates to hypothesis two. The test was based on data of Tables 4, 6, and 7 above, which captured data on available attractions to entrepreneurs, level of entrepreneurship development, and contribution to drivers of economic development. The analysis was also of the ranked responses in the three categories. The Kruskal Wallis Test above suggests that the study should retain our null<sub>1</sub>&<sub>2</sub> of hypothesis 2. The implication is that available attractions and entrepreneurship development enhance economic development.

Data set 3 presents the summary result of our Wilcoxon Signed Rank Test of differences between ranks of challenges to entrepreneurship development and contribution of entrepreneurship to economic development. The result suggests that our null hypothesis 3 can be retained, which implies that enhancement of entrepreneurship leads to economic development.

## 9. Conclusion

The study reveals that the disincentives and problems faced by entrepreneurs significantly hinder entrepreneurship development. It also confirms that an enabling environment and other attractions enhance entrepreneurship development,

which in turn promotes economic development. In the final analysis, the study provides evidence that enhancement of entrepreneurship leads to economic development.

This study further reveals that Nigerian entrepreneurs face a lot of challenges, disincentives, and problems, which have negative consequences for entrepreneurial development. The study also shows that Nigerian entrepreneurs are creative and are driven by self-beliefs, but infrastructure, technologies, tools and equipment, and funding are hardly available to support entrepreneurship drive. The result of the study also reveals that Nigerian government has more to do in the area of entrepreneurship policies, education, enabling environment, infrastructure, funding, and protection against local and foreign threats. The study additionally finds out that opportunities abound in agriculture, manufacturing, IT, service, mining, and trade/business for Nigerian entrepreneurs.

Based on the findings, the study concludes that there are opportunities for entrepreneurship in Nigeria, but full potentials are yet to be realized. The study also concludes that entrepreneurship capabilities can be enhanced if the environment is created especially if the government plays its role and corrects the deficiencies associated with it.

Based on the conclusion, the study suggests that all stakeholders should work with the government to address the issues like education, infrastructure, entrepreneurship policies, and enabling environment to enhance entrepreneurship activities which will also support economic growth and development.

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