

The Effect of Entrepreneurship Education on the Nigerian Economy: A Review

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Abstract

The paper reviewed the effect of Entrepreneurship education on the Nigerian economy focusing on employment generation and poverty reduction. It analyzes the content of various studies conducted by different scholars in different location to clearly state what the concept of entrepreneurship Education meant. The paper reveals some misconception about the entrepreneurship education and the major challenges of the programme is lack of attitudinal change and mind-sets of graduates. It is recommended that the teaching of entrepreneurship should focus more on attitudinal change rather than educating students on various skills.

Keywords: Entrepreneurship, Entrepreneurship Education, Poverty, Self-Reliance, Economy.

Introduction

Developing countries like Nigeria need a workable entrepreneurship model that would help tackle the socio – economic problems of poverty, unemployment, illiteracy, chronic diseases, crimes, insurgency etc. thereby promoting growth and development of small and medium scale enterprises (SMEs), wealth creation, protection of the environment which will at the end bring about sustainable economic development. This view can be clearly seen from the statement of Roy (2010) as cited in Akhuemonkhan, et al., (2013) which describes Africa's socio-economic situation as,

"widespread poverty, corruption, inadequate resources, poorly trained labour suppliers, wars and other forms of civil strife such as ethnic cleansing, pandemic diseases such as HIV/AIDS and malaria, tribal tensions, and ruinous economic policies have led to the problems of such scope and dimension that it is only government; African and international that can mobilize the necessary capital to begin to make headway on these enormous issues".

Roy's assertion is not far from the truth in almost all African nations. These problems are clearly observed in Nigeria to the extent that some of the problems like corruption and poverty are becoming, an official part of the system. Various studies revealed that entrepreneurship is a catalyst for development and an important factor to achieving economic growth, creating jobs, increasing productivity and reducing poverty (Lopez, Casorla and Panta, 2019).

The structure of the Nigerian economy was subsistence production since the precolonial period, where agriculture was the main contributor to the economy. The colonial era and the later discovery of oil change the country from agriculture to become oil dependent. That was the beginning of problems in the Nigerian economy such as corruption, unemployment, environmental problems, educational system, crime, terrorism, poverty and others.

Statement of the Problem

The increasing number of graduates from Nigerian tertiary educational institutions led to increase in job seekers, thereby adding the volume of labour supply to the labour market. Despite all efforts by the government, unemployment has been on the increase with many graduates entering the labour market yearly. Therefore, there is need to review the result of past studies for the purpose of fine – tuning the process of Entrepreneurship Education Development (EED) in our tertiary institutions to achieve the desired goals. Emeaghalu (2016) cited in Emeaghalu and Okechukwu (2020) that all programs to create employment remain terribly unimpressive.

Objectives of the Study

The main objective of this paper is to review the effect of entrepreneurship education on the Nigerian economy. Others may include:

- i. Describe the historical relevance of Entrepreneurship Education Development (EED)
- ii. Clarify misconception on the concept of Entrepreneurship Education Development (EED)
- iii. Identify the government effort in promoting Entrepreneurship Education Development (EED)
- iv. Describe some possible challenges of Entrepreneurship Education Development (EED) in Nigeria
- v. Make appropriate recommendations

Theoretical and Conceptual Framework

The neoclassical perspective of Joseph Schumpeter's (1934) theory of entrepreneurship explain that individual is driven by profit to bear risk and create new products. It further explains that the process of entrepreneurship activities may reduce unemployment in the economy and this is termed as "Schumpeter Effect". Therefore, according to this theory, unemployment is inversely related to entrepreneurship.

Another theory is the "Refugee Effect" of Oxenfeldt (1943) which explains that unemployment will push individual to self- employment and create job for themselves which entail entrepreneurship.

The Risk-Taking Theory proposed by Richard Cantillon and Stuart Mill perceived entrepreneurship as mental education that stimulates individuals to take calculated risk with the expectation of future profit (Alam and Hossan 2003; as in Akhuemonkhan, Raimi and Sofoluwe, 2013).

This paper is more connected to the Schumpeter's theory of entrepreneurship and the Risk-Taking theory which believes in mental education to directly affect the thinking of individuals towards self-employment and pay-employment. Therefore, the concept of entrepreneurship education in this paper mean the ability to change the mind set of individuals to be more interested in self-employment rather than seeking for pay-employment or to make individuals prepared to bear risk for future profit.

Misconception of the Concept of Entrepreneurship Education Development (EED)

The concept Entrepreneurship Education is misconceived by many and that hinder the success of its implementation. Various definitions were given for the concept by different organizations and individuals. These definitions are not far from each other and the true meaning of Entrepreneurship but the contradiction centered mostly in the implementation. Entrepreneurship is seen as an art of recognizing a business opportunity, mobilizing resources and persisting to exploit the opportunity (NDE 1989; in Onyebueken & Ochongo, 2002; Emeaghalu & Okoroji, 2020). According to Hussein, Bhuiyan and Baker (2014) as in Emeaghalu and Okoroji (2020), Entrepreneurship is the ability to identify new business opportunity and mobilization of resource to start the new business. One of the

very catching definition of Entrepreneurship is the one given by Adetayo, Oke and Aderonmi (2015) which describes Entrepreneurship as identification of problem (need), turning the problem to opportunity (creation of product or service) to satisfy the need and identify customers who are able and willing to pay for the product or service.

Alawiye (2004) cited in Adetayo, Oke and Aderonmi (2015) define entrepreneurship as process of increasing number of entrepreneurial activities or increasing the number of existing small, medium and big enterprise in a country by promoting entrepreneurs who can successfully run innovative enterprise. The area of misconception is centered on the implementation of entrepreneurship. Many misconceived the concept of entrepreneurship as skill acquisition. Therefore, when State establish skill acquisition centers may be called entrepreneurship center. It should be noted that individual may be having a skill but not enterprising, resourceful or innovative. We have seen many with various skills but not ready to bear the risk involve to promote their idea by introducing new goods or improving the existing goods/services to solve problems and make profit. This could be linked to the unsuccessful nature of entrepreneurship education in our tertiary institutions. This implied that entrepreneurship education should not concentrate on skill acquisition but sensitization of the general public to change the habit or culture of, not only tertiary institutions students, the entire citizens on the importance of self-reliance to individual and nation at large. The above is supported by Raimi, Shokunbi and Peluola, (2010) that entrepreneurial mind -set was in existence in Yoruba land of Western Nigeria, Hausa land of Northern Nigeria and the Igbo land of Eastern Nigeria. The country experience setback on its regional entrepreneurial skill by the activities of the colonial masters, who designed the educational system to train the work force needed for their activity. Hence, entrepreneurship is the ability to use the available skill to introduce new product or service needed by people, thereby solving a problem and generating income to both individual and the nation at large. Mistakenly some scholars in discussing EED do claim mismatch between graduate and industry meaning that we are still producing job seekers.

Historical Relevance of Entrepreneurship Education Development (EED)

According to Kuratko, (2003) as cited in Akhuemonkhan, Raimi and Sofoluwe (2013) claimed that formal introduction of entrepreneurship education into curricula of tertiary institutions started in the United States of America around 1947.

Nigeria decided to promote entrepreneurship by introducing Entrepreneurship education into the curricula of tertiary institutions in the country. The rapid growing population in Nigeria and increase in the labour force due to yearly increase in the number of graduates from our tertiary institution necessitate the need for the entrepreneurship education to produce self-reliant and self-employed graduates. The Federal Government of Nigeria through the Universities Commission (NUC), the National Board for Technical Education (NBTE) and National Commission for Colleges of Education (NCCE) launch entrepreneurship education in tertiary institutions during the 2007/2008 academic session (John, 2021; Akhuemonkhan, Raimi and Sofoluwe, 2003). However, entrepreneurship in Nigeria preceded the colonial masters. It was the period when each region of the country create value from its available resources in exchange for other region's products. This process collapses as a result of the introduction of white-collar job by the colonial masters which established educational system to train work force needed in their offices. This changed the mind – set of Nigerians from job providers/self-reliant to job seekers, thus the beginning of unemployment problem in the country.

Government Effort in Promoting Entrepreneurship Education Development (EED)

Entrepreneurship development is believed to be a major factor in creating job opportunity thereby solving the problems of unemployment and poverty. Eriki and Okafor, (2005) in Akhuemonkhan, Raimi and Sofoluwe (2013) clearly stated that various administration in Nigeria introduced different poverty reduction policies in order to improve the quality of life in the country. Strategies and policies focused on entrepreneurship development in Nigeria include:

- Small and Medium Scale Development Agency (SMEDAN)
- Student Industrial Work Experience Scheme (SIWES)
- National Directorate of Employment (NDE)
- Youth Enterprises with Innovation in Nigeria (YouWIN)
- Subsidy Reinvestment and empowerment Program (SURE-P).

These excludes the direct poverty alleviation programmes predating the introduction of EED in tertiary institutions. Despite all these efforts, the expected goal is not achieved (Adetayo, Oke and Aderonme, 2015).

Challenge of Entrepreneurship Education Development (EED) in Nigeria

Borrowing from the words of Oluremi and Agboola, (2011) "that Entrepreneurship education and training entails philosophy of self – reliance such as creating a new cultural and productive environment, promoting new sets of attitudes and culture for the attainment of future changes". These are the major challenges of entrepreneurship education in the country. There is need for;

- The philosophy of self – reliance
- Attitudinal change
- Cultural modification

Moreover, there are other challenges emanating from the implementation of the EED.

- Teaching EED like other courses of our educational institutions. Sometimes EED may require season/successful businessman to sensitize students on the benefit of self – employment.
- The capital to initiate any meaningful production creates much difficulty to young graduates.
- The educational system is generally creating work force not educated minds that will be ready to initiate business for self-reliance.
- Corruption destroys programs designed by the government to support graduates intending to embark on self – employed businesses.

Conclusion and Recommendation

After a decade of introducing Entrepreneurship Education Development into the Nigerian tertiary institutions, the rising unemployment and poverty is still disturbing the nation. That the knowledge of entrepreneurship is important but more importantly is entrepreneurship attitude. People still rely on government employment despite all efforts by government to promote entrepreneurship in the country. Therefore, the following recommendations were forwarded to be looked into:

- i. Entrepreneurship Education should focus more on the philosophy of attitudinal change rather than concentrating on skill acquisition
- ii. Fund be made available to graduates for starting their own businesses.
- iii. Government should create the conducive environment to support small businesses to encourage young graduates.

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