Impact of Entrepreneurship Development Programme on Economic Development of Lagos State, Nigeria.

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Abstract: This study critically examined the impact of entrepreneurship development programme on economic development of Lagos State, Nigeria. The concept becomes a major concern for every individual in Lagos and Nigeria in general today. A survey research design technique was used. The multi-stage random sampling method was employed to select 377 participants from Chemicals (including domestic, industrial plastic and rubber), and Pharmaceutical sector, Agro-AlIied/Livestock, Basic Metal, Iron and Steel and fabricated metal sector, wood and wood products, electrical/electronics, as well as food, beverages and tobacco sector. The research instrument was a 40-item validated, structured questionnaire. The analytical tools employed were simple percentages, frequency counts and multiple regression analysis via the Statistical Package for the Social Sciences (SPSS). The findings revealed that there was significant relationship between government strategies in terms entrepreneurship on job creation and its relative impact on economic development. Furthermore, the results showed significant relationship between job creation as a capacity for increasing the productivity capacity of entrepreneur and economic development in Lagos State. The study therefore recommended that the progress of a nation should depend on the quality of its people who are enterprising enough to bear the risk involved in entrepreneurship. Hence, entrepreneurship should therefore be seen as the main source of development, the driving instrument of economic and social development.

Keywords: Entrepreneur, entrepreneurship development, job creation, economic development.

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I. Introduction

Entrepreneurship performs a vital functions in the growth and development of any modern economy. Entrepreneurship is viewed as the engine of economic growth and a main thrust of economic restructuring, decentralization and development toward market economy. Entrepreneurship is the way toward following up on already unnoticed profit chances to produce an output. The role of entrepreneurship development programme on economic development remain a subject of continuing debate and discussion globally and in Nigeria particularly. Economic growth and development is a significant feature of every country, be it in the developed or less developed economies. In Nigeria, government of every state embarks on policies and programs aimed at influencing the direction of economic progress towards a rapid and sustainable economic growth (Ogundele et al., 2012; Sule, 2014). These programs were contained in National Development Plan (1962-68, 1970-74, 1975-80 and 1981-85). Entrepreneurship development programme seeks to encourage and promote the development of a broad private sector within manufacturing and service industries through a method that is geared at improving the competitiveness of existing small and medium enterprises and by supporting the growth of new enterprises. Inclusivity is a concept entrenched in the programme approach by focusing on growth-oriented SMEs as well as potential entrepreneurs. Following the emergence of oil sector in the early 1970s, significant change took place in the Nigeria economy. Entrepreneurship plays a substantial role in economic development specifically in job creation opportunities. The Federal Government has adopted several strategies and policies towards entrepreneurial development in Nigeria, by establishing Institution and Agencies, which provide variety of support services to entrepreneurs.

Consequently, entrepreneurship development programme is increasingly recognized as important driver of economic growth, generating employment, fostering innovation and poverty reduction through the empowerment of young men and women (UNCTAD, 2010). Entrepreneurship development has therefore increasingly been held out as an alternative to traditional economic development strategies and policies. Advocates for entrepreneurship-based policies suggest that entrepreneurial development generates greater returns.
to the public than other alternative strategies such as industrial recruitment, or retention and expansion. Developing entrepreneurial skills is a key strategy to reduce poverty, create income and employment opportunities aims at promoting better business environment, building institutional and human capacities that will encourage and support the development of rural dwellers (Oghojafor, Olayemi, Okonji and Olayiwola, 2011; Adelekan, 2017). It is universally acknowledged that entrepreneurs have immense potentials as a stimulant of economic growth and sustainable development. Entrepreneurship development has become a strategy in economic transformation of developing economies given the successes recorded by the Asian countries (China, India, Malaysia, Indonesia etc.) in the 90s (Ebiringa, 2013). Emerging nations with increased entrepreneurial resourcefulness tend to have experienced greater decrease in unemployment rates as well as recorded sustained increase in standard of living (Thaddeus, 2012; Adelekan and Tijani, 2017).

However, there are growing concerns about the state of enticement of entrepreneurship development programmes in Nigeria. The nature of Nigerians employment problems epitomized by the passive imbalance between job creation expectation and opportunities of an increasing large pool of educated unemployed and underemployed raises a number of important and challenging policies question for which answers based on a robust and sound quality framework must be sought. Entrepreneur in Nigeria have a few impediments or issues that record for their wastefulness and here and there disappointment. A noteworthy and testing issue is the shocking gap between growth in production of employment opportunities and the total labor force. The narrowing or end of this lacuna firmly recommends the need anticipating profoundly new bearings in creating and developing entrepreneurship strategies and design of appropriate economic policies. However, there is a problem entrepreneurship and small and medium enterprises development is hampered by overabundance of challenges like bribes by government officials, bad roads, epileptic and power supply. This challenge and similar others have attracted global attention (Business Environment and Enterprise Performance Surveys, 2007). Unemployment has become a global phenomenon of the 21st century; the problem is becoming more enormous each passing year in Nigeria. Unemployment and unmitigated rural-urban migration have come to illustrate the Nigerian labour market. This has been compounded by frightening number of joiners as schools, polytechnics and universities churn out leavers in a geometric progression. This has impacted on the rate of social vices like prostitution, kidnapping, robbery and unfair labour practices experienced mostly by the unemployed youths, which are other noticeable dimensions to the complexities of contemporary Nigerian employment dynamics. In light of the above stated problems, this study will attempt to explore the numerous ways by which socio-economic development can be enhanced through implementation of entrepreneurship development programmes. It is on this premise that this study seeks to examine the impact of entrepreneurship development programme on economic development of Lagos state, Nigeria.

Research Hypotheses
The following are the relevant null hypotheses of the study.

**Hypothesis One**
\[ H_0: \text{There is no significant relationship between entrepreneurship development programmes on economic development.} \]

**Hypothesis Two**
\[ H_0: \text{There is no significant relationship between entrepreneurship development programmes on job creation in Lagos state.} \]

II. Review of Literature

**Concept of Entrepreneurship**
Entrepreneurship, as an emerging field of study and as an area of human endeavour, has received increasing interest of researchers, academicians and policy makers the world over. It has equally provoked controversies over its concept and definition. Umaru and Obieleagu-Nzelibe, (2014) described entrepreneurship as the act of being an entrepreneur. The word entrepreneur which is a French word means “one who undertakes innovations, finance and business acumen in an effort to transform innovations in economic goods”. He continued that the result of entrepreneurship may be a new organization or a part of revitalizing mature organization in response to a perceived opportunity. The most obvious form of entrepreneurship to him is that of starting a new business (Esuh, 2011; Adelekan and Dansu, 2016). However, in recent years the term has been extended to cover such areas as socio-cultural, political, and educational forms of entrepreneurial activity. As a result when large companies venture into entrepreneurial activities within the organization, it is described as “intrapreneurship” or “corporate spin-off”. In today’s world, anybody, industry or business leader with innovative and creative business abilities is described as an entrepreneur or someone who engages in entrepreneurship (Okala, 2008). While the entrepreneur is the person venturing into the business of organizing and managing, entrepreneurship is the service
rendered by the entrepreneur (Akanwa and Agu, 2005). These definitions view the entrepreneur as the person who perceives a business opportunity and takes advantage of the scarce resources to meet with unlimited opportunities profitably.

Entrepreneurship is seen as an effective means not only of combating unemployment, poverty and under-development in the developing nations, but also as a strategy for rapid economic development in both developed and developing nations (Egwu, 2014). Naude (2011) contends that global development is entering a phase, where entrepreneurship will increasingly play a more important role. He adds three reasons for this development. The first is that the managed economy of the 1970s – 2000 in the West, characterized by reliance on big business and mass production has given way to a so-called entrepreneurial economy, where knowledge-driven goods and services are more flexibly provided by smaller creative class. Secondly, impressive growth in the emerging economies, notably Brazil, Russia, India and China, has been driven by innovative entrepreneurial revolution. Thirdly, in the least developed countries, where dependency is high, donor agencies have been shifting emphasis in development cooperation towards private sector development. Naude (2011) draws the conclusion that entrepreneurship will contribute to growth and employment creation in advanced, emerging and least developed economies alike.

In Nigeria, studies have been carried out on the effect of entrepreneurship development on the problem of high unemployment rate, high level of poverty and economic growth. Given the generally held view that entrepreneurship development is the key to poverty eradication, employment generation and rapid economic development, various governments in Nigeria have, over the past three decades, evolved policies and programmes, aimed at developing entrepreneurship through the development of small and medium scale enterprises (SMEs). In spite of all the efforts, unemployment rate has remained high, rising from 13.1% in year 2000 to 18.8% in 2016, with youth unemployment contributing over 50% (NBS, 2016). Over 100 million Nigerians live below poverty line on less than US$1 a day and with the percentage of the population in abject poverty rising from 54.7% in 2004 to 60.9% in 2015 (World Bank, 2015). Above all, Nigeria’s human development index (HDI) remains abysmally low at 0.453, much below world weighted average of 0.7 (UNDP, 2006). To this end, the entrepreneur is one who bears non-insurable risks and this directs the human and material resources to achieve economic, social, and financial goals of the enterprise.

Concept of Economic Development

There is a vast literature on economic development; there is still no clarity as to its real meaning. This notwithstanding, it is widely agreed that development must be seen as the general improvement in living conditions of people. It is not merely about the provision of basic necessities such as food, clothing and shelter, but also health, improvement of human capital and redistribution of wealth (Akhuemonkhan, Raimi and Sofoluw, 2013). Nayyar (2003) argues that conventional economic growth theory tends to emphasize increases in per capital income as a measure for development ignoring other essential indicators of development such as reduction in poverty, inequality and employment as well as improvement in quality of life. Bartoli, (2000) argue that growth must always be associated with social and institutional progress. It must assume a human dimension which encompasses the enhancement of material wellbeing, health, education and dignity of life. Nabunde (2002) and Charper (2003) also claims that the most effective means of improving economic performance in poor counties is through industrialization and this cannot be possible without significant rise in the level of literacy and skills; investments and saving rate which would stimulate entrepreneurship and productivity. Hence, fostering growth requires supporting investments and accumulation of human capital.

According to the UN classification, Nigeria is a middle-income nation with developed financial, communication and transport sectors. It has the second largest stock exchange in the continent. The petroleum industry is central to the Nigerian economic profile. It is the 12th largest producer of petroleum products in the world. The industry accounts for almost 80% of the GDP share and above 90% of the total exports. Outside the petroleum sector, the Nigerian economy is highly amorphous and lacks basic infrastructure. Several failed efforts have been made after 1990 to develop other industrial sectors (Economy Watch, 2010). Nigeria has great potentials for economic growth and development, given her vast natural resources in agricultural lands and minerals, as well as abundant manpower.

In the last two decades, economic growth rate has been very low and in many years less than the population growth rate. The general macroeconomic outcome has been poor, resulting to high poverty level (Wikipedia, 2015). GDP per capital of Nigeria expanded 132% in the Sixties reaching a peak growth of 283% in the Seventies. But this proved unsustainable and it consequently shrank by 66% in the Eighties. In the Nineties, diversification initiatives finally took effect and decadal growth was restored to 10%. Due to inflation, per capita GDP today remains lower than in 1960 when Nigeria declared independence. About 57 percent of the population lives on less than US$1 per day. In 2005 the GDP real growth rate was 6.90 % composed of the following sectors: agriculture, 26.8 percent; industry, 48.8 percent and services, 24.4 percent. Compare to 2009 GDP of 3.80 %,
composed of agriculture, 33.4 percent; industry, 34.1 percent; and services, 32.5 percent (CIA-World Fact book, 2010).

**Empirical Literature**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Author(s)</th>
<th>Title</th>
<th>Methodology</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Aribaba Foluso Ohubugena, (2013)</td>
<td>The Examination of the Effect of Participation in Entrepreneurial Development Programmes on Enterprise Performance: A Case of Small-Scale Business in Nigeria.</td>
<td>Correlation, t-test and Ordinary Least Square.</td>
<td>The findings revealed that participation in entrepreneurial development programme has positive impact on the performance of small-scale businesses. Also, it gives an inkling that entrepreneurial imagination, process, skills and attitude can also beget from other areas as shown by pockets of encouraging statistical results obtained by small-scale businesses whose entrepreneurs did not participate in any entrepreneurial development programmes.</td>
</tr>
<tr>
<td>2.</td>
<td>Aribaba, Asaolu and Olaopa, (2011)</td>
<td>An evaluation of the impact of technological innovative entrepreneurial development programmes on the performance of small scale business in Nigeria.</td>
<td>Regression analysis, Independent t-test and ANOVA.</td>
<td>The result revealed that pattern of entrepreneurial development programme had significant effects on the growth rate. These findings also proved that the type and different entrepreneurial development programmes have significant effects on operation of small-scale business operators.</td>
</tr>
<tr>
<td>5.</td>
<td>Nagesh and Narasimha Murthy, (2008)</td>
<td>The effectiveness of women entrepreneurship training program.</td>
<td>Correlation test and path analysis.</td>
<td>Analyzed the effectiveness of women entrepreneurship training and education program and to understand the need for entrepreneurship training. The main objectives of the research are evaluate the need and importance of training for women entrepreneurs and identify the areas that need improvement in the training of women entrepreneurs.</td>
</tr>
<tr>
<td>6.</td>
<td>Laxmana and Ishwara, (2008)</td>
<td>Entrepreneurial promotion through entrepreneurship development programme.</td>
<td>Regression analysis.</td>
<td>The main objective of the research is to know whether entrepreneurship development programme promoted the entrepreneurship or not, in the form of number of enterprises created as a result of entrepreneurship development programme.</td>
</tr>
<tr>
<td>7.</td>
<td>Efi and Akpan, (2012)</td>
<td>Impediments to entrepreneurship development in the Niger delta region of Nigeria.</td>
<td>Descriptive and Simple percentage.</td>
<td>There is a significant relationship between entrepreneurship development programme and entrepreneurial development in the Niger Delta region of Nigeria. There is a significant relationship between infrastructural facilities and economic development.</td>
</tr>
</tbody>
</table>

**Summary of Empirical Literature**

Empirical studies on entrepreneurship development programme on economic development are with the different conclusion. However, the methods and approaches applied in their analyses are also varied from one another. It is against this backdrop that this study tries to fill the apparent gap in the literature by assessing the impact of entrepreneurship development programme on economic development of Lagos state, Nigeria.

**III. Methodology**

This study examined the impact of entrepreneurship development programme on economic development and job creation in Lagos state, Nigeria. A simple regression analysis was used in achieving the set objectives.
Research Design

The positivism paradigm will be employed for this research work because it will make it possible for the research results to be applied externally and more broadly outside the study context due to the fact that the research work is unbiased. The strategy adopted in this research work is the case study. The use of case study as a strategy for this research is adopted because it provides the much needed in-depth understanding SME operation in Lagos state. Data were collected using a structured questionnaire. This research is based mainly on both primary and secondary data.

Population of the Study

Record by the Lagos State Ministry of Commerce reveals a total number of registered SMEs companies to be 100,500 (2018). However, our target population comprises of small and medium scale companies with a minimum capital base of N5,000,000:00 and fifty (50) employees. Simple sampling method will be used.

Table 2: The prioritization of Sub -Sectors:

<table>
<thead>
<tr>
<th>S/No</th>
<th>High Priority</th>
<th>Medium Priority</th>
<th>Low Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chemicals and Pharmaceuticals sector</td>
<td>Domestic and industrial Plastic and Rubber</td>
<td>Electricals and electronics</td>
</tr>
<tr>
<td>2</td>
<td>Agro Allied/Livestock</td>
<td>Agro Allied</td>
<td>Livestock</td>
</tr>
<tr>
<td>3</td>
<td>Basic metal, iron and steel and fabricated metal sector</td>
<td>Wood and wood products (including furniture sector)</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Food, beverages and tobacco sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Service industry</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Sample Size and Sampling Techniques

The sample size was drawn from the list of managers, senior executives and middle level management officers of private and public companies particularly Law firms, and the financial sector in Lagos State. A sample size of 400 respondents was used, while a simple random sample technique of respondents was adopted for target sample located on Lagos Island. The sample size of respondents were randomly selected on a probability basis and further stratified to ages of 26 years and above, had a minimum of 5 years working experience and had no less than a degree academic qualification. For the purpose of the study, a total number of 400 copies of the questionnaire were administered of which 377 respondents (representing 94.3%) were properly filled and returned. 23 respondents (representing 5%) were excluded from the sample for their questionnaires were not properly filled. The 377 questionnaires received were very good and adequate for the research, for it shows that each units in the population had a chance of being selected, hence minimizing sampling error.

Pilot Study and Assessment of Reliability and Validity

Table 3: Reliability Coefficient of the Instruments

<table>
<thead>
<tr>
<th>S/N</th>
<th>Item</th>
<th>No of item</th>
<th>Alpha (α) coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Entrepreneurship development programmes and economic development</td>
<td>8</td>
<td>0.868</td>
</tr>
<tr>
<td>2</td>
<td>entrepreneurship development programmes and job creation</td>
<td>7</td>
<td>0.903</td>
</tr>
<tr>
<td></td>
<td>Overall</td>
<td>15</td>
<td>0.866</td>
</tr>
</tbody>
</table>

To ensure content validity of the instrument, the questionnaire items were checked and adjusted by the researcher’s supervisor and some lecturers within and outside the department of Business Administration before administering to respondents. A pilot test was carried 25 copies were distributed and retrieved from respondents. Reliability of a research instrument is defined as the degree to which results are consistent over time and shows an accurate representation of the total population under study (Sekaran, 2003). Thus, an instrument is said to be reliable if the results of a study can be reproduced under a similar methodology. Reliability gives an idea of replication, repeatability or consistency of results or observations. The reliability test was done for the instruments using Alpa (α) Cronbach. The overall reliability coefficient was 0.866 or 86.6% for the thirty items. Therefore, the instruments are reliable.

Data Analysis

This section presents the analysis of responses (data) obtained from the research respondents. The data represents the results obtained from survey conducted during the course of this research work. Using a single research instrument (i.e. a questionnaire), the data were obtained through a 7-point Likert response type.
Impact Of Entrepreneurship Development Programme On Economic Development.

IV. Results and Discussion of Findings

There is no significant relationship between entrepreneurship development programmes on economic development.

**Table 4:** Simple regression of relationship between entrepreneurship development programmes on economic development.

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Programmes</td>
<td>.268</td>
</tr>
<tr>
<td>R²</td>
<td>.289</td>
</tr>
<tr>
<td>F-test</td>
<td>18.680(0.000)</td>
</tr>
</tbody>
</table>

Dependent Variable: economic development

From table 4 above, the hypothesis of no significant relationship between entrepreneurship development programmes on economic development is rejected, this is because the probability value is less than five percent. Hence, the alternative hypothesis is accepted.

Test of Hypothesis Two

There is no significant relationship between entrepreneurship development programmes on job creation in Lagos state.

**Table 5:** Simple regression of relationship between entrepreneurship development programmes on job creation in Lagos state.

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Programmes</td>
<td>.263</td>
</tr>
<tr>
<td>R²</td>
<td>.31</td>
</tr>
<tr>
<td>F-test</td>
<td>28.83(0.000)</td>
</tr>
</tbody>
</table>

Dependent Variable: job creation

The regression estimates from the table above suggests that the hypothesis of no significant relationship between entrepreneurship development programmes on job creation in Lagos state is rejected, this is because the probability value is less than five percent. Hence, the alternative hypothesis is accepted.

V. Discussion of Findings

This study examines the impact of entrepreneurship development programme on economic development of Lagos State, Nigeria. Based on the test of hypotheses, the following findings were obtained from the study. Results obtained from the first test of hypothesis shows there is significant relationship between entrepreneurship development programmes and economic development in Lagos state, this is in line with the study of Omoluabi, (2014). The second hypothesis of no significant relationship between entrepreneurship development programmes and job creation in Lagos state was also rejected, this doesn’t differ from the study of Aribaba Foluso Olugbenga, (2013)

VI. Summary and Conclusion

The purpose of the study is to assess the impact of government entrepreneurship development programmes on job creation and economic development, the study however, it is concluded that, turning new ideas to product/service, entrepreneur role in job creation, increase productivity capacity, entrepreneur initiative enhance experience increase in standard of living, effort of government entrepreneur development, technical assistance from government and development of industry also accounted for economic development. In other words, the joint effect of job creation as a capacity for increasing the productivity capacity of entrepreneur is significant on economic development. There is therefore the urgent need for government and individuals to create more job opportunities for the teeming youths. That job creation is a most challenges facing the world today. Job creation is a function of mental ability of individual entrepreneur to know how to manage their opportunity. Any country where there is no entrepreneur, the citizens suffer poverty and wants this is because nobody wants to use his or her own brain to think of doing something new to affect the community and the world at large. In any
giving economy, entrepreneurship development always give birth to job creation which will force people to do something that will better their lives and the country at large. Access to socio-economic opportunities, access to appropriate technology and foreign market, development in technological innovations, reduction of poverty through job creation and business environment accounted for economic development. Thus, number of trained SME has significant impact on the job creation in the state during the period under consideration. Ebiringa (2013) affirmed that Nigerian governments, particularly since the structural adjustment programme of mid 1980s, have put in place policies and programmes aimed at entrepreneurship development, as a means of employment generation, poverty alleviation and rapid economic development and this include: Small and medium industries equity investment scheme (SMIEIS), bank of industry (BOI), Nigerian agricultural cooperative rural development bank (NACRDB), microfinance bank, the national directorate of employment (NDE), small and medium enterprises development agency of Nigeria (SMEDAN), establishment of entrepreneurship development centres (EDCS), youth enterprise with innovation in Nigeria (YOUWIN) amongst others.

VII. Recommendations

From the conclusion reached in the study, the following are therefore recommended:

- People generally should be allowed to have access to capital for entrepreneurship development in Nigeria through microfinance. Lagos State Government should have a training programme that benefits the youth in Nigeria who is faced with challenges in their quest for participation in national development issues. Again entrepreneurship is should be concerned with creating wealth and livelihood through production of goods and services.

- Generally, entrepreneurship development should be inculcated into the school’s curriculum to promote human empowerment and development through entrepreneurial skill acquisition and training. In the same vein, there should be collaboration between small business entrepreneurs and research institution for exploitation and research findings of those institutions to achieve technology development. To buttress this fact, the National Universities Commission (NUC) should mandate all Universities in Nigeria to create Entrepreneurship development center to put in place two compulsory courses on Entrepreneurship for all undergraduate students’ irrespective of their disciplines, as it is seen as a drive towards economic performance.

- In addition to the entrepreneurship intervention programme by the Lagos state government, effort should be made in monitoring whether the set objectives are met.

- It is very clear that there is a lot of infrastructural deficit in the state, this is seen as a major driver of entrepreneurship development. The government should massively fund infrastructural development

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