

Social Entrepreneurship as a Panacea to Mitigate Nigerian Youth Unemployment



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ABSTRACT: This paper is anchored on social entrepreneurship as a panacea for mitigating unemployment among the Nigerian youth. Without overemphasizing the condition of unemployment in Nigeria, an avalanche of studies have substantiated this assertion by reporting that the rate of youth unemployment is on the increase in Nigeria, causing frustration, dependency and dejection. With the increasing turnout of graduates yearly from tertiary institutions, many graduates still remain unemployed for a long time after graduation. The major objectives of the paper are; to examine the concept and meaning of social entrepreneurship, identify the role and importance of social entrepreneurship in mitigating youth unemployment in Nigeria, and to know the challenges of social entrepreneurship in Nigeria. However, this paper is mainly qualitative, hence relied on secondary sources of data. The methodological approach in this paper, therefore, is based on content analysis while social network theory remains the theoretical thrust.

KEYWORDS: Social Entrepreneurship, Youth and Unemployment

1.0 INTRODUCTION

The dearth of employment opportunities is indisputably the gravest issue facing many developing nations including Nigeria. Ozohu-Suleiman (2006) observed that “Nigerian youth are trapped by unemployment”. The youth unemployment rate in Nigeria has increased to 24 % in the second quarter of 2016 (NBS, 2016). The average youth unemployment stood at 17.5 % from 2014 until 2016, reaching an all-time high of 24 % in the second quarter 2016 and record low of 11.70 % in the fourth quarter of 2014 (NBS, 2016). Zakaria (2006) believes that “the rising tide of unemployment and the fear of a bleak future among the youth in African countries have made them vulnerable to the manipulations of agents provocateurs”.

The enormity of the problem of youth unemployment has made it a threat to the social, economic and political stability of most developing countries (Mpfu, 2020). Economically, youth unemployment has led to labor market instability, increased welfare costs, erosion of the tax base and unused investments in education and training. Socially, youth unemployment is not only of concern to the unemployed but also to the family members of the unemployed and the general society. The problem of youth unemployment and under-employment poses complex economic, social and moral policy issues. The youth are undeniably among the most important formidable force and resource a country can have in order to boost its social and economic development (Mpfu, 2020).

According to (Lauzikas & Cernikovaite, 2011), social entrepreneurship is beneficial for society as it is as one kind of social innovation and might bring benefits to various stakeholders: for business - rise in incomes and profits, customer’s volume, loyalty and satisfaction, business reputation; for the social targeted groups: reduction of unemployment and social exclusion of social targeted groups; for the state: favourable public opinion, reduced pollution and the state’s image. Its components range from social justice, social value, viable socio-economic structures, forging a new equilibrium, employing innovation, entrepreneurial skills, market gaps, solving social problems, to social entrepreneur as a change agent (Zahra et al., 2009). It is based on this that the main thrust of this paper is advanced. The main objectives of this paper are to; to examine the concept and meaning of social entrepreneurship, identify the role and importance of social entrepreneurship in mitigating youth unemployment in Nigeria, and to know the challenges of social entrepreneurship in Nigeria.

1.1 Conceptual Clarification

1.1.1 Social Entrepreneurship

The United Nations International Children Emergency Fund UNICEF (2007) maintained that, social entrepreneurship can be better understood by explanations offered by the ‘Social Enterprise School’ and the ‘Social Innovation School’. Whereas “The Social Enterprise School” presents social entrepreneurship as “social enterprise” initiatives. That is, “any organization, in any sector, that uses earned income strategies to pursue a double bottom line or a triple bottom line, either alone (as a social sector business) or as part of a mixed revenue stream that includes charitable contributions and public sector subsidies.” while, The Social Innovation

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School views social entrepreneurship as the initiatives of innovators pursuing social change and aiming to alleviate a particular social problem. The emphasis here is more about social outcomes rather than income generation.

While, Dacin and Matear (2010) opined that, social entrepreneurship is unique in that, it involves a hierarchical ordering of social and economic value whereby social value takes precedence over generation of economic rents. Looking from same perspective, Mair and Marti (2006) says, it entails activities with the aim to build organizations that achieve social goals. This shows the preferences of social entrepreneur to social services other than the profit.

1.1.2 Youth

The concept of youth has been defined by different authors in the context in which the word youth is used. The differences in the concept of youth have critical implications for planning, research, policy and interventions (Moerane, 2016). As was observed by Idris (2016), ‘‘youth is defined in the literature as both an age group and social construct’’. The United Nations (UN) (1992) defined youth as persons between the ages of 15-24 years. The UN definition of youth is followed by the United Nations International Children’s Emergency Fund (UNICEF) and the World Health Organization (WHO) (Idris, 2016). However, they consider young people and adolescents as those aged between 10-24 years and 10-19 years, respectively. In the view of the United Nations Youth Fund, the youth are those persons between 15 and 32 years of age (UNDESA, 2013).

The National Youth Development Policy (2001) defines youth as people aged 18-35. The United Nations (UN) (1992) defined youth as persons between the ages of 15-24 years. In the African Youths Report 2009 (thereafter UNECA 2009), ‘‘youths’’ are defined as people between 15 and 39 years of age. In Nigeria, the National Youth Policy of 2009 defines the youth as those between the ages of 18 and 35 years. The vision 2010 report defines youth as personages between 12-30 years. The United Nations Educational Scientific and Cultural Organization UNESCO asserts that youthfulness is an attribute of people who are in the 15 and 24 age grades. The Federal Ministry of Youth and Sports categorizes youths as people aged between 18 and 35 years while the African Union defines youth as people aged 15 to 34 years and Africa is reported to have a youth population of between 300 and 345 million youth by 2015 (Abubakar, 2011). On his part, Alanana (2006) stated that, youth as a concept has no precise definition. In nearly all traditional African societies, those who fall between 40 and 50 years of age are still considered youths. This is in contrast, to Europe and America where at age of 18, a child is granted freedom and independence.

1.1.3 Unemployment

Unemployment is clustered and categorized based on the average populace of active job-seekers without employment. The Lumen Learning Course (2005) is of the view that Unemployment moreover can be alluded to as simply joblessness, a scenario that happens when individuals are without work and are effectively looking for a business. Chappelow (2020) argues that unemployment occurs when a person who is actively searching for employment is unable to find work. He further submits that unemployment is a key economic indicator mainly since it signals the ability (or inability) of workers to readily obtain gainful work to contribute to the productive output of the economy.

2.0 EMPIRICAL REVIEW

In an interesting study of Akuraun (2015), a conceptual overview of social entrepreneurship and its relevance to the Nigerian’s third sector in Wukari Taraba state Nigeria was examined. The study finds that there is a dearth of information on social entrepreneurship in Nigeria and a lack of collaboration, partnership and the scalability of innovative solutions to address societal problems. However, the study recommends that the social entrepreneurship ecosystem should be developed and the political institutions recognize and support social entrepreneurs as sustainable positive change agents in the society.

According to Gawell (2013), Social Entrepreneurship could likewise help to boost Nigerian youth’s morale and discourage illegal migration. The natural resources in Nigeria could solve social and economic problems if properly harnessed. Social enterprise is still having tension and shortcomings.

The work of Janelle (2010) on a comparative analysis of the global emergence of social enterprise was carried out in seven regions and countries of the world. The study found that variation in socioeconomic contexts appears to account for international differences in social enterprise. The findings have practical implication for the development and transfer of social enterprise internationally.

The study of Onyeukwu, Ukpata and Amin (2015) where they examined how women participation in Third sector organization could help in boosting economic development. They discovered that Third sector that supposed to be for non-profit is being used for profit making. They recommended that women should be encouraged to form cooperative societies in the rural areas to better the lives of the rural dwellers; thereby discouraging illegal and unwarranted migration. Likewise social entrepreneurs could help the non-profit organizations in solving social and economic problems in Nigeria.

A study carried out in South Africa by David and Holt (2015) using six social enterprises and new Institutional Theories rays the importance of environment in the operation of social enterprise. The study found out that Institutional environment and social enterprise and their interplay between them in South Africa. An enabling environment is very crucial for an entrepreneur to be able to meet the social need and economic need in any country.

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3.0 THEORETICAL FRAMEWORK – SOCIAL NETWORK THEORY

The theory of social network was mentioned by Reynolds (1991) in his four stages in the sociological theory. The literature on this theory shows that stronger social ties to resource providers facilitate the acquisition of resources and enhance the probability of opportunity exploitation (Aldrich & Zimmers, 1986). Other researchers have suggested that it is important for nascent founders to have access to entrepreneurs in their social network, as the competence these people have represents a kind of cultural capital that nascent ventures can draw upon in order to detect opportunities (Aldrich & Cliff, 2003., Gartner et al, 2004., Kim, Aldrich & Keister, 2003).

Entrepreneurs are embedded in a larger social network structure that constitutes a significant proportion of their opportunity structure (Clausen, 2006). Shane and Eckhardt (2003) says “an individual may have the ability to recognize that a given entrepreneurial opportunity exist, but might lack the social connections to transform the opportunity into a business start up. It is thought that access to a larger social network might help overcome this problem.

4.0 METHODOLOGY

The paper relied on qualitative method based on logical deduction and analysis of documents. Qualitative method is considered appropriate for this study because the method is well suited for contextual analysis particularly when the task is to glean, illuminate, interpret and extract valuable information to draw inference from the available evidence so as to reach a conclusion. Accordingly, the study employed secondary sources of data. Data was drawn from institutional and official documents sourced from the Internet, journal articles and conference materials. The mass qualitative data generated in the course of this study was analysed using content analysis.

5.0 DATA ANALYSIS AND DISCUSSION

5.1 Social Entrepreneurship: A Panacea for Mitigating Youth Unemployment in Nigeria

Social entrepreneurship generally defined as entrepreneurship activity with an embedded social purpose is a process of come out with innovative solutions to social problems. They have been identified as alternative and or complementary to the actions of government and international organizations to address poverty and poverty related social needs. However, the following are some of the importance of social entrepreneurship in mitigating youth unemployment in Nigeria:

- 1) **Creation and sustenance of social and economic value:** More specifically, social entrepreneurs adopt a social vision to transform the society by creating and sustaining social values. While, Dacin and Matear (2010) opined that, social entrepreneurship is unique in that, it involves a hierarchical ordering of social and economic value whereby social value takes precedence over generation of economic rents.
- 2) **Creation of Corporate Social Responsibility (CSR):** Engagement with social entrepreneurship has also provided other commercial benefits, both as a means by which flagging Corporate Social Responsibility (CSR) strategies can become a part of the core activities, and as a new arena for ‘impact’ investment that is typically uncorrelated with conventional capital markets.
- 3) **Creation of shared value:** According to Driver (2012), social entrepreneurship is associated with new, future order, so called transformational capitalism, as social entrepreneurship creates shared value.
- 4) **Promotion of social innovation:** Social entrepreneurship is beneficial for society as it is as one kind of social innovation and might bring benefits to various stakeholders: for business - rise in incomes and profits, customer’s volume, loyalty and satisfaction, business reputation; for the social targeted groups: reduction of unemployment and social exclusion of social targeted groups; for the state: favorable public opinion, reduced pollution and the state’s image” (Lauzikas & Cernikovaite, 2011).
- 5) **Addressing complex social problems:** As highlighted by Zahra, Gedajlovic, Neubaum, & Shulman, (2009), social entrepreneurs create a significant impact to their communities. By using business models, they provide solutions for difficult and complex social problems.

5.2 Challenges of Social Entrepreneurship in Nigeria

The following points are advanced as some of the challenges of social entrepreneurship in Nigeria:

- 1) Social entrepreneurship is quite a new and complex phenomenon. It is still a growing area for scientific research and the social entrepreneurship theory is still in the stage of conceptualization (Greblikaite, 2012).
- 2) Despite evidence that social entrepreneurship is growing in influence as a field of action, significant questions remain concerning the definition of its limits and boundaries, particularly in terms of how broad or narrow its scope should be.
- 3) Indeed, social entrepreneurship has been conceived by some as simply a mechanism by which business (and the state) can co-opt and compromise the integrity and independence of civil society rather than reinvigorate and diversify its models of societal change.

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6.0 CONCLUSION

Thus far, it was discovered that, the contributions made by social entrepreneurship at mitigating youth unemployment in Nigeria cannot be over-emphasized. This is in the sense that, it stands for value creation, in bringing social changes and services to the society without necessarily involving profit motive. The activities of social entrepreneurs therefore, are found to be complementarities to that of the government. Thus, government has conceptualized social entrepreneurship as the solution to state failures in welfare provision. Civil society has conceived it instead as a space for new hybrid partnerships, a model of political transformation and empowerment, or a driver of systemic social change. Finally, for business, social entrepreneurship has represented a new market opportunity or a natural development from corporate social responsibility and socially responsible investment.

7.0 RECOMMENDATIONS

Based on the issues identified as some of the major challenges to social entrepreneurship as a panacea in mitigating youth unemployment in Nigeria, the following recommendations are advanced:

- 1) Social entrepreneurship should be added as a field of study across Nigerian universities. This will optimally be offered as part of a business-related degree and should be open for students from any faculty to register for.
- 2) Social Entrepreneurs should be encouraged by the government through tax reduction to enable them concentrate in solving social problem rather than making profit out of the poor populate they should be helping.
- 3) Since social entrepreneurship operation in Nigeria is still at the primary level, the Nigerian social entrepreneurs could collaborate with the federal, state and local governments to actualize the dual purpose of social entrepreneurship.

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