

## Youth Entrepreneurship: A Path to Nigeria's Development



Chinyere Iheoma Erundu<sup>1</sup>, Udochukwu Iheanacho Erundu<sup>2</sup>

<sup>1</sup>Department of Sociology, University of Port Harcourt, Choba, Rivers State, Nigeria.

<sup>2</sup>Department of Computer Science, Landmark University, Omu-Aran, Kwara State Nigeria.

**ABSTRACT:** The world is constantly in a state of flux. Contemporary realities such as the Internet revolution with the accompanying Information Age appear to have placed young people above other demographic categories. Increasingly, young people between their teens and early adulthood have been taking very active parts in economic activities and leading critical sectors, especially IT, banking, and small and medium-scale enterprises (SMEs). Their unmatched compliance and savviness in the use of the virtual space have exposed them to limitless knowledge and opportunities that hitherto were difficult to access. The case is not different in Nigeria. Nigerian youths are a formidable population category whose imaginative and creative ability can turn around Nigeria's dwindling economy if bolstered with an enabling environment. However, the Nigerian State has not been able to leverage the ingenuities and economic capacities of its largest population cluster. This is particularly paradoxical considering Nigeria's continuous struggle for development. This paradox informs this paper. In it, I foreground the need for the Nigerian State to shift its focus to youth entrepreneurship and encourage burgeoning youth entrepreneurs to develop innovative economic and/or business activities that can improve the different aspects of Nigeria's economy and social development. This has become an imperative, especially in light of accidental events like COVID-19. Innovative entrepreneurship, injecting new efforts and ideas, and leveraging youth potential will benefit Nigeria and will not only engender healthy economic performance but also reduce mass unemployment and poverty. Nigeria's dream of becoming a global economic powerhouse may be built around the entrepreneurship, innovativeness, and creative capacities of her youth population.

**KEYWORDS:** Entrepreneurship, Innovation, Development, Youth, Nigeria

### INTRODUCTION

Entrepreneurship among younger generations is a critical factor in the expansion of economies and the advancement of social conditions in nations all over the world. Youth entrepreneurship has emerged as a possible route to push the nation's growth in Nigeria, a country with a rapidly growing young population and an enormous amount of potential that has not yet been fully realized. Youth entrepreneurship is widely acknowledged as a driver for sustainable growth and transformation due to its capacity to stimulate innovation, offer job opportunities, and address important socio-economic concerns.

Over sixty percent of Nigeria's population is under the age of thirty, according to the National Population Commission (2019). This makes Nigeria home to a sizeable young population. This demographic dividend confronts the country with both an opportunity and a challenge that it must face. On the one hand, it provides access to a large pool of young people who are inventive, enthusiastic, and business-minded, all of whom have the potential to contribute to economic success. On the other side, if adequate resources and opportunities are not made available, this demographic advantage has the potential to become a liability, which would result in increased unemployment, societal unrest, and a loss of potential.

The spirit of entrepreneurship possesses the potential to alleviate these issues by enabling young Nigerians to put their skills, abilities, and ideas to use in the formation of firms and the promotion of economic expansion. Unlocking the potential of Nigeria's young population and paving the path for long-term economic growth can be accomplished by fostering an entrepreneurial culture, expanding access to resources, and fostering an environment that is conducive to these goals in Nigeria.

In addition, the context of Nigeria's particular difficulties reveals that young entrepreneurship offers a variety of distinct benefits. The nation struggles with several socioeconomic problems, such as high rates of unemployment, poverty, inadequate infrastructure, and limited access to education and healthcare. The creation of employment opportunities, the acceleration of innovation, and the production of inclusive growth that reaches marginalized populations are all areas in which youth-led businesses have the potential to play a significant part in the solution to these problems.

The economic growth rate of Nigeria, ranging from 6 to 8 percent during the past decade, indicates that the country has emerged as one of the most rapidly expanding economies globally. The inference can be made that any well-established business has the potential to provide exceptional and above-average results. According to Popoola (2014), this country stands out as having one of

## Youth Entrepreneurship: A Path to Nigeria's Development

the highest returns on investment globally across several sectors such as money, market, capital market, mutual funds, real estate and property, and entrepreneurship.

In addition to this, encouraging young people in Nigeria to start their businesses fosters a sense of self-sufficiency, resiliency, and the ability to find solutions to problems. Education and training in entrepreneurship can help young people gain the skills they need to adapt to an economy that is constantly shifting, and this education and training can be encouraged. They have the potential to become agents of change, which will propel social innovation and contribute to the community's continued progress toward a sustainable future.

The purpose of this study is to investigate whether or not young people in Nigeria can contribute significantly to the country's economic growth through entrepreneurial endeavors. It will evaluate the different rewards and problems associated with youth entrepreneurship, showcase successful youth-led businesses, and discuss the essential strategies and policies required to establish an environment that is supportive of youth entrepreneurs in Nigeria. Specifically, it will focus on Nigeria. This study intends to provide insights into how youth entrepreneurship can be exploited to unleash Nigeria's economic potential and build a brighter future for its young people by relying on previous research, case studies, and the opinions of industry experts. These sources will be drawn upon to accomplish this goal.

### Economic Development and Globalization

The notions of economic development and globalization are intricately interconnected and exert substantial mutual effects. Economic development pertains to the progression via which a country's economy expands and enhances, resulting in elevated living standards, augmented income, diminished poverty rates, and overall amelioration of the welfare of its populace (IMF, 2008). Conversely, globalization pertains to the escalating interconnectivity and interdependence of economies, cultures, societies, and nations worldwide, facilitated by commerce, investment, technology, communication, and human mobility.

Development economists identify three critical stages of development. Initially, in the first stage, the economy focuses primarily on the production of agricultural goods and small-scale manufacturing. As the economy progresses to the second stage, it undergoes a shift away from small-scale output and moves toward manufacturing. Finally, in the third stage, with increasing prosperity, the economy further transitions from manufacturing-oriented activities to a greater emphasis on services.

During the first stage, high rates of non-agricultural self-employment are prevalent, where sole proprietorships, or self-employed individuals, dominate most small manufacturing and service firms. Virtually all economies experience this initial stage.

In contrast, the second stage is characterized by a decline in self-employment rates. This decrease in entrepreneurial activity can be attributed to various factors associated with economic development. For instance, assuming individuals possess varying degrees of managerial abilities, wealthier economies tend to attract better managers who lead larger firms. In economies where capital and labor serve as substitutes, an increase in capital stock boosts the rewards for wage work while diminishing the incentives for entrepreneurial endeavors.

Consequently, in this model of economic development, more significant capital investment, whether from private enterprises, foreign investments, or government ownership, reinforces the attractiveness of wage work compared to entrepreneurial ventures. This leads to a negative relationship between entrepreneurial activity and economic development, meaning that as an economy advances, fewer people are likely to pursue entrepreneurial activities.

In the third stage, a notable increase in entrepreneurial activity becomes apparent. Throughout the past century, a prevailing pattern in economic activity within developed industrialized nations has been a shift away from smaller firms toward larger organizations. However, an intriguing development emerged in the mid-1970s when several studies revealed that this long-standing trend had come to a halt and was even reversing. Subsequent studies further confirmed this phenomenon in the 1970s and 1980s for many developing countries as well. Empirical evidence unmistakably indicated that in developed nations, the distribution of firm sizes started to move away from larger corporations and toward a greater emphasis on entrepreneurial endeavors (Acs, 2006). In conclusion, economic development and globalization are intricately linked processes. While globalization can offer opportunities for economic growth and development, it also presents challenges that need to be managed to ensure that the benefits are shared more broadly and sustainably across all nations and their populations.

### RELATED WORKS

The concept of youth entrepreneurship and its role in economic development has been the subject of extensive research. Numerous studies have explored the challenges and opportunities associated with youth entrepreneurship in developing countries like Nigeria. These works highlight the importance of fostering a supportive ecosystem for young entrepreneurs, including access to finance, mentorship, and policy frameworks.

The study conducted by Ukpong and George (2012) aimed to investigate the relationship between socioeconomic development and youth empowerment in Akwa Ibom State. This research utilized survey data collected from 5,000 respondents through a "socioeconomic development and job creation questionnaire." The data was analyzed using the Pearson product-moment correlation to explore the connection between various factors and youth empowerment in the state.

## Youth Entrepreneurship: A Path to Nigeria's Development

The study conducted by Omeje et al. (2020) focused on assessing the impact of youth empowerment initiatives on entrepreneurship growth and economic diversification in Nigeria. It explored the efforts made by the Nigerian government, World Bank, non-governmental organizations, and private philanthropists in investing resources to train and empower the country's youth in various entrepreneurial endeavors. The primary goal of these initiatives was to stimulate job creation, reduce poverty, and generate income for both individuals and the government, thereby diversifying the economy and reducing dependence on government and oil revenue. Ultimately, the aim was to foster economic growth and development. In summary, the research examined the effects of youth empowerment on entrepreneurship growth and economic diversification in Nigeria. The findings highlighted the significance of various factors in driving entrepreneurship growth, emphasizing the need for enhanced youth entrepreneurship training and ongoing support to foster economic diversification and sustainable development in the country.

A study conducted by Chidiebere et al. (2020), emphasizes the critical role of youth empowerment through entrepreneurship in driving the development and transformation of Nigeria and the broader Sub-Saharan African region. It underscores that young people are the driving force behind economic progress worldwide, as they contribute significantly to employment, income generation, and social transformation. This is especially crucial in transition economies like Nigeria. In summary, this study underscores the transformative potential of entrepreneurship in reducing youth unemployment and fostering economic development in Nigeria. It emphasizes the importance of supportive government policies and infrastructure for empowering the youth and driving economic growth.

Okoli and Okoli (2013) used an empirical literature review and the absence of data as their research technique. Their study focused on how Nigerian youths might be empowered by being trained in entrepreneurship. According to the findings of the study, it is impossible to fully prepare young people for every possible scenario. However, providing them with the knowledge, abilities, and support they need to successfully navigate the obstacles they face represents a gift of significant value to them. Accordingly, one of the recommendations that came out of this study was that young people should have their values reoriented to help them avoid the "get rich quick" attitude.

The study conducted by Daniel and Kent (2005) adopted an empirical literature review analysis method to evaluate youth entrepreneurship programs in the United States. The research revealed significant findings and offered recommendations to enhance these programs. The study reported that approximately 11.3% of adult youths in the United States were actively engaged in entrepreneurial activities. This finding indicates a substantial portion of the youth population is involved in entrepreneurial ventures. The study noted that youth entrepreneurship had multiple positive effects. It stimulated innovation, leading to the creation of new ideas, products, and services. Additionally, it contributed to increased employment opportunities, particularly for other young individuals, and resulted in heightened economic growth. In light of their findings, the study recommended that there was a need for the United States government to enhance and improve its youth entrepreneurship programs. These programs should be designed to further encourage and support the entrepreneurial aspirations of young people, ultimately leading to even more significant positive impacts on the economy.

The study conducted by Aja and Adali (2013) aimed to examine how youth empowerment could be achieved through entrepreneurial education in Nigerian universities, employing an empirical literature review method rather than data collection. The study highlighted that there is no strict educational degree requirement to become an entrepreneur. Entrepreneurs are characterized by a wide range of personal traits and qualities, and they are often individuals who are willing to take risks in pursuit of profit. This emphasizes the idea that entrepreneurship is not solely determined by academic qualifications but rather by an individual's disposition and willingness to embrace entrepreneurship as a career path. While there may not be a specific educational degree requirement, the study recommended that entrepreneurial education should be integrated into tertiary-level education and incorporated at all levels of the educational system. This is seen as a means to equip Nigerian youths with the skills, knowledge, and mindset needed to succeed as entrepreneurs and achieve self-reliance.

The study conducted by Ayoade and Agwu (2016) delved into the methods for achieving employment generation through entrepreneurial development in Nigeria. They utilized annual time-series data and descriptive statistics to gain insights. The study found that numerous government intervention programs aimed at promoting entrepreneurial development and employment generation in Nigeria had not produced the anticipated results. The study recommended a concerted effort by governments at all levels to foster entrepreneurship. This should involve creating an enabling environment and essential infrastructure that supports entrepreneurial activities. The research proposed the introduction of relevant entrepreneurial educational programs in all institutions of learning. This would equip individuals with the skills and knowledge required to succeed as entrepreneurs. In summary, Ayoade and Agwu's study revealed the challenges associated with government intervention programs for entrepreneurial development and employment generation in Nigeria. Their recommendations emphasize the importance of collaborative efforts, education, skills development, and access to capital to promote entrepreneurship and mitigate unemployment.

The study conducted by Ogbondah and Nwogu (2017) employed an empirical historical perspective to investigate entrepreneurship education and sustainable youth empowerment in Nigeria. The study found that youth empowerment in Nigeria faced challenges in terms of sustainability. The initiatives and efforts aimed at empowering young individuals were not consistently effective or enduring. Another significant finding was that entrepreneurship education in Nigeria was notably lacking. This educational

## Youth Entrepreneurship: A Path to Nigeria's Development

component, which is crucial for equipping youth with the skills and knowledge required for entrepreneurship, was found to be insufficient. The study recommended the redesign of the school curriculum to make the empowerment of youths achievable and sustainable. This implies incorporating entrepreneurship education into the formal education system. By doing so, young people can gain practical skills and knowledge that prepare them for entrepreneurial endeavors and long-term self-reliance.

### MATERIALS AND METHODS

This research article makes use of a qualitative research approach, which entails an extensive examination of the previous research on youth entrepreneurship and its effect on economic growth. In addition to this, the article does a good job of providing a factual foundation for its arguments by utilizing statistical data from government reports and international organizations.

### Youth Entrepreneurship in Nigeria: Challenges and Opportunities

#### Challenges

- **Limited Access to Capital and Financial Resources:** Many young entrepreneurs face difficulties in obtaining the necessary funding to start and grow their businesses. The lack of access to capital, loans, or investment can hinder their entrepreneurial ambitions.
- **Regulatory Barriers:** Complex and bureaucratic regulatory processes hinder the establishment and growth of youth-led businesses.
- **Lack of Mentorship:** Limited access to experienced mentors and business advisors impedes the development of young entrepreneurs.
- **Limited Access to Capital and Financial Resources:** Many young entrepreneurs face difficulties in obtaining the necessary funding to start and grow their businesses. The lack of access to capital, loans, or investment can hinder their entrepreneurial ambitions.
- **Political Instability and Corruption:** Political instability and high levels of corruption can undermine the business environment, deter investment, and create uncertainties that affect the sustainability of entrepreneurial activities.

#### Opportunities

- **Technology Adoption:** Nigerian youth have embraced technology, creating opportunities in the IT sector and digital entrepreneurship.
- **Market Potential:** Nigeria's large and diverse consumer base provides a significant market for youth-led enterprises.
- **Social Innovation:** Young entrepreneurs are at the forefront of social innovation, addressing critical issues like healthcare and education.
- **Support from Non-Governmental Organizations and Private Philanthropists:** NGOs and private philanthropists often provide financial aid, mentorship, and guidance to aspiring young entrepreneurs, helping them launch and grow their ventures.
- **Collaborations and Mentorship Programs:** Collaborative efforts and mentorship programs provide young entrepreneurs with guidance, networking opportunities, and support from experienced business leaders, fostering their development and growth.

### CONCLUSION

A significant shift in focus toward young entrepreneurship is required for Nigeria to make progress in both its economic and social development efforts. If the unrealized potential of the country's large youth population can be utilized, it has the potential to be a driving force behind the nation's economic expansion and social progress. To accomplish this goal, the government of Nigeria needs to foster an atmosphere that is conducive to the development of young entrepreneurs by providing them with access to funding, guidance, and a regulatory framework that is encouraging. Not only does encouraging young entrepreneurship offer economic rejuvenation, but it also gives a means to solve serious challenges such as unemployment and poverty. These problems are becoming increasingly urgent. The resourcefulness, originality, and inventiveness of Nigeria's young population are essential if the country is to realize its goal of becoming a leading economic power in a world that is undergoing rapid transformation.

### REFERENCES

- 1) Acs, Z. (2006). How is entrepreneurship good for economic growth? *innovations*, 1(1), 97-107.
- 2) Aja-Okorie, U., & Adali, O. (2013). Achieving youth empowerment through repositioning entrepreneurial education in Nigerian universities: problems and prospects. *European Scientific Journal*, 9(28).
- 3) Ayoade, E. O. (2016). Employment generation through entrepreneurial development: The Nigerian experience. *British Journal of Economics, Management & Trade*, 11(3), 1-14.
- 4) Chidiebere, O. N., Iloanya, K., & Udunze, U. (2014). Youth unemployment and entrepreneurship development: Challenges and prospects in Nigeria. *Kuwait Chapter of the Arabian Journal of Business and Management Review*, 4(4), 20.

## Youth Entrepreneurship: A Path to Nigeria's Development

- 5) Daniel, T. A., & Kent, C. A. (2005). An assessment of youth entrepreneurship programs in the United States. *The Journal of Private Enterprise*, 20(2), 126-147.
- 6) *Globalization: A Brief Overview*, IMF Discussion Paper(<https://www.imf.org/external/np/exr/ib/2008/053008.htm>)
- 7) National Population Commission. (2019). Nigeria Demographic and Health Survey 2018. Retrieved from <https://www.dhsprogram.com/pubs/pdf/FR359/FR359.pdf>
- 8) Ogbondah, L., & Nwogu, G. A. (2017). Entrepreneurship education and sustainable youth empowerment in Nigeria. *International Journal of Education and Evaluation*, 3(2), 43-53.
- 9) Okoli, D. I., & Okoli, E. I. (2013). Youth empowerment through entrepreneurial development in Nigeria. *International Letters of Social and Humanistic Sciences*, 19, 224-233.
- 10) Omeje, A. N., Jideofor, A., & Ugwu, M. O. (2020). Youth empowerment and entrepreneurship in Nigeria: Implication for economic diversification. *Sage Open*, 10(4), 2158244020982996.
- 11) Popoola, T. (2014). "Entrepreneurship and Self-reliance: Building an Entrepreneurial
- 12) Economy". A Conference Paper-in The Nigerian Accountant. *Journal of the Institute of*
- 13) Chartered Accountants of Nigeria, Vol. 47, No. 3. July/September.
- 14) Ukpong, D. E., & George, I. N. (2012). Socio-economic development of Nigeria and youth employment in 21st century: Implication for Akwa Ibom State. *Academic Research International*, 3(3), 288.



There is an Open Access article, distributed under the term of the Creative Commons Attribution – Non Commercial 4.0 International (CC BY-NC 4.0) (<https://creativecommons.org/licenses/by-nc/4.0/>), which permits remixing, adapting and building upon the work for non-commercial use, provided the original work is properly cited.