

Entrepreneur and economic development of nigeria: problems and prospects essay sa...

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“ No amount of pay would be enough for an employee of an organization to live a comfortable life that he would please”- this assertion is a common place phrase that new inductee of banks are tutored with on entering into the financial systems of Nigeria banks and this mantra is soon forgotten as soon as they start earning decent income that would be enough to take care of their basic needs.

The reason for this introduction is to bring to for the current level of Entrepreneurship in relation to economic development of Nigeria.

Without creative ideation by Entrepreneurs we won't have development- the question you would likely ask would be:-How is entrepreneurship good for economic growth? This question would seem to have a simple answer: Entrepreneurs create new businesses, and new businesses in turn create jobs, intensify competition, and may even increase productivity through technological change. High measured levels of entrepreneurship will thus translate directly into high levels of economic growth. However, the reality is more complicated.

If, by entrepreneurship, one allows inclusion of any type of informal self-employment, then high levels of entrepreneurship may actually mean either that there are substantial bureaucratic barriers to formally creating a new business, or simply that the economy is creating too few conventional wage-earning job Prospects. Under these circumstances, we might reasonably hypothesize that high levels of entrepreneurship would correlate with slow economic growth and lagging development. A cursory look at the advanced Nations of the World, like the United States, Canada, Germany, China and

the host of others presents the fact that the all got to where they are by being creative and innovative (popular lingo in field Entrepreneurial development).

In the late 70's, then developing Nations like Singapore and Malaysia embraced this idea by putting up structures to aid Entrepreneurial growth and today they have since left the developing Nation's tag. Malaysia even came to Nigeria to pick up palm seedling for R & D but today they are the World leader in palm produce.

We can therefore make bold to say that key to the secrets of developed Nations of the World underlies the fact that the developments were essentially powered by the Entrepreneurs.

In this text we would be looking at various view of how Entrepreneurial growth can fuel Economic development in Nigeria as well as the Prospects and Problems in portends to our beloved Country Nigeria.

LITERATURE REVIEW

Entrepreneurial development can be defined as the practice of encouraging the creation and growth of start-up companies—represents another emerging set of innovative development practices.

In this review we shall be focusing on two key questions;

What roles do Entrepreneurs play in advancing the Economy of a Nation

The Level of interest in Entrepreneurship in Nigeria.

ROLE OF ENTREPRENEUR IN ECONOMIC ADVANCEMENT

How is entrepreneurship good for economic growth? This question would seem to have a simple answer: Entrepreneurs create new businesses, and new businesses in turn create jobs, intensify competition, and may even increase productivity through technological change. High measured levels of entrepreneurship will thus translate directly into high levels of economic growth. However, the reality is more complicated. If, by entrepreneurship, one allows inclusion of any type of informal self-employment, then high levels of entrepreneurship may actually mean either that there are substantial bureaucratic barriers to formally creating a new business, or simply that the economy is creating too few conventional wage-earning job Prospects. Under these circumstances, we might reasonably hypothesize that high levels of entrepreneurship would correlate with slow economic growth and lagging development.

It there means that Entrepreneurship is a factor for economic advancement of a Nation. But entrepreneurs cannot strive if the Government of the day does not put in place the enabling Law for growth of entrepreneur and infrastructure that would make growth of businesses seamless.

Companies like Dangote group, Globacom network, Oando etc have in no small way contributed to the GDP of Nigeria. These companies have presented formidable challenges in their various field of endeavour. Dangote group was even nominated by BCG this year as one of Africa's 40 challengers this decade.

ANALYSIS OF LEVEL OF INTEREST IN ENTREPRENEURIAL VENTURES BY NIGERIANS

According to Magali and Rheault and Bob Tortora of GALLUP POLLS, 69% of Nigerian don't plan to register their business.

WASHINGTON, D. C. — Governments throughout sub-Saharan Africa are implementing reforms to improve the business climate within their countries. A Gallup Poll conducted in Nigeria shows that 67% of Nigerians have thought of starting a business — one of the highest rates in West Africa.

Compared with other countries in West Africa, where the median percentage of respondents who say that they have thought of starting a business is 44%, the Gallup Poll suggests relatively high interest in entrepreneurship in Nigeria. Moreover, almost one-half (45%) of Nigerians say they plan to start a business in the next 12 months, suggesting a significant percentage of respondents have firm plans. Additionally, most Nigerians (80%) are very confident that a newly created business will do well in their country.

PROFILE OF A NIGERIAN ENTREPRENEUR

Some demographic groups are more likely than others to exhibit entrepreneurial spirit. Nigerians who say they have a job, whether paid or unpaid, are far more likely than those who don't have a job to express an interest in starting a business, 77% versus 53%, respectively. Seventy percent of Nigerians aged 19 and older say they have thought of starting a business, compared with 44% of those aged 15 to 18 who say the same.

Nigerian women (67%) are as likely as Nigerian men (68%) to say they have entertained the idea of starting a business. And when considering education levels, Nigerians with some university level education are as likely as those with a primary education or less to have considered starting a business.

For most Nigerians surveyed, their potential business would be an informal venture: 69% of respondents say the business they have in mind would not be formally registered, and just 19% say their business would be formally registered. Men (24%) are slightly more likely than women (15%) to say they would register a future business. Additionally, Nigerians with some university level education are far more likely (37%) than those with a secondary education (22%) or less (12%) to say their business would be registered.

Gallup also looked at perceptions of social networks in the context of entrepreneurship. A slight majority of Nigerians (53%) say they know someone, exclusive of their relatives, whom they could trust enough to make that person a partner in a business startup. Men (57%) are slightly more likely than women (49%) to express such trust in non-relatives.

PROSPECTS AND PROBLEMS TO ENTREPRENEURSHIP

There are both Prospects and problems to entrepreneurship in Nigeria's business climate, which could influence a citizen's decision whether to start a business. On the one hand, the Gallup Poll findings show that Nigerians are confident in the availability of a qualified workforce, the protection of property rights, and the likelihood of financial success. Three-quarters of respondents say that an entrepreneur can feel confident that he or she will

find hardworking and qualified employees when necessary. Nigerians also express relatively high levels of confidence that business assets and property would be safe at all times (60%). Furthermore, 58% of respondents trust the government will let entrepreneurs make a lot of money.

On the other hand, the poll findings put a spotlight on three important problems to entrepreneurship in the country. Almost three-quarters of Nigerians (73%) say it is not easy to obtain a loan. A majority of Nigerians (59%) also say that the government does not make the filing process easy enough for anyone who wants to start a business. Additionally, Nigerians are mixed on the constancy of the business regulatory environment. Forty-four percent of respondents say an entrepreneur can feel very confident that tax laws and other rules of the game will not change all the time, but 33% think they will change.

SURVEY METHODS

Results are based on face-to-face interviews with 1, 000 adults, aged 15 and older, in Nigeria in February 2007. For results based on the total sample of national adults, one can say with 95% confidence that the maximum margin of sampling error is ± 5 percentage points. In addition to sampling error, question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of public opinion polls.

CONCLUSION AND RECOMMENDATIONS

Taken together, the Gallup Poll findings suggest that Nigerians have a relatively strong drive for entrepreneurship. Many respondents believe that key elements of a strong business climate are present. However, as access to credit, the filing process, and other important indicators are perceived as problems to entrepreneurship, this may explain why most Nigerians don't intend to register their potential business.

Furthermore, the relatively high percentages of “ don't know” responses with respect to the filing process and the regulatory business environment suggest that many Nigerians are either unawares of the national government's efforts to simplify the business start-up process or that further reforms are necessary.

To this end the sole onus lie with the Government to stop paying lip service and encourage Entrepreneurs with the right incentives like tax freedom, single digit interest on loans and investment in practical science education. This will go a long way to improve the economy through entrepreneurial interests.

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GALLUP DAILY POLLS [www. gallup. com](http://www.gallup.com)