

Youths Entrepreneurship: A Panacea to Employment Generation and Sustainable Development in Nigeria

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Abstract

The role of youth entrepreneurship in the economic development has been well recognized in the literature. In a liberal market economy, entrepreneurs coordinate economic activities in such a way that factors of production are moved to areas in which they are fully utilized while they also bear risk and uncertainty in the process of arbitrage which eventually leads to the expansion of the production possibility curve, socio-economic growth and development. In contemporary time, the movement by nations of the world towards a neo-liberal economic framework has elevated the study of determinants of entrepreneurship to the centre stage. It has been established from past studies that entrepreneurship especially among youths has become antidote to joblessness and underdevelopment. This paper, therefore, examines the role of youth entrepreneurship development as a panacea to sustainable development in Nigeria. The paper suggested that if Nigeria in her quest to reducing unemployment and poverty must incorporate entrepreneurship tutoring into the curriculum at all levels of education with a view to promoting self-employment among graduates and youths generally.

Keywords: Unemployment, entrepreneurship tutoring, skills acquisition, economic development

Introduction

It is increasingly recognized by both government and development experts the important role of entrepreneurship in the process of socio-economic development of societies (Kurya, 2006). It is central to the progress of any nation given its contributions to the economy by creating jobs and generating employment, increasing productivity, creating wealth and value added to sustain growth and overall societal development. Entrepreneurship (especially among the youths) has potentials for developing human resources, through modern and traditional apprenticeship in different trades and occupations and thus, improves economic independence of young people (Abor, 2008). While there is no agreed definition of 'youth', For example, youth unemployment is usually measured amongst those aged 16-24, whilst the EU (2009) defines young people aged 15-29.

Entrepreneurship has gained national as well as global recognition as a significant force towards propelling a country to greater heights, thereby emancipating the country from social and economic predicaments. Entrepreneurship is a prime source of innovation, a large generator of employment and features prominently in government economic policies at both local and international levels.

In the light of these perceived benefits of entrepreneurship in growing an indigenous enterprise culture, many development scholars have advocated the use of entrepreneurship in accelerating the process of socio-economic growth and sustained development. This paper therefore takes a critical look at the role of youth entrepreneurship in bringing about sustainable development in Nigeria.

Youth Unemployment and Entrepreneurship in Nigeria

It has been established from literature and past studies that entrepreneurship especially among youths has been an antidote to joblessness and general underdevelopment (Andow 2010; Alabi, Bahal and Alanana 2014). The role of the youth in national development cannot be over emphasized. Youths with their enormous strength and youthfulness, passion and knowledge constitute great assets to the development of any nation. Looking at the population structure of Nigeria, one will understand the important role that youths play. The Nigerian population is youthful and has grown from 22.5 million in 1991 to 52.3 million in 2012. Young people currently comprise over 25% of the Nigerian population (National population commission, 2006).

According to the NPC (2006) more than half of Nigerian population are under the age of 30. Thus, Nigeria's population structure is youthful with implication for its economy (Okafor, 2011). However, the Nigerian youths are said to be confronted with poverty and unemployment, lack of capacity and essential productive skills needed for employment to move the economy forward. Nigeria like most developing nations of the world is faced with myriad of problems and harsh economic realities including poverty and unemployment especially of the youths. The problem of youths' unemployment in Nigeria is said to be traceable to the disequilibrium between labour market requirements and lack of essential employable skills by young people (Dabalén, 2000 and Alabi, 2013). This obvious critical skills gaps inhibit the development of youths in general in Nigeria.

As observed by Oba (2012), lack of marketable skills from unemployment generation and poverty reduction in Nigeria are other challenges facing the youths' contributions to national development. This reality leaves Nigerian youths without any sustainable means of livelihood (Ibid, 2012). Similarly, Adegbite *et al.* (2006) noted that technical entrepreneurial talent that involves the establishment and management of manufacturing industries for productive activities in the real sector of the economy is lacking in Nigeria. However, a World Bank study by Nils-Henrik and Morch (1995) proposed a contrary view that entrepreneurial talent is indeed available but that the economic

environment have been such that it does not allow this talent to develop. This points to the fact that, the kind of economic policies that have been followed in the four to five decades after political independence have not always been conducive to private enterprise. This proposition concurs with a third view by Adjebeng-Asem (1989) as cited in Adegbite *et al.* (2006) that African entrepreneur is alive and well, but that he/she rather than undertaking manufacturing business (technical entrepreneurship) has been diverted to non-productive, rent and contract-seeking activities which researchers have referred to as commercial entrepreneurship.

The problems of unemployment as experienced by the youths and even the uneducated but skilled youths have been more pathetic in Nigeria despite various policy measures and intervention strategies by the government (Awogbenle and Iwnamadi, 2010). After three decades of Structural Adjustment programme (SAP), Commercialization and Privatization of ailing state-owned enterprises and National Directorate of Employment (NDE), the contributions of the initiatives towards Youths Economic Empowerment is still every dismal (Adegbite *et al.*, 2006). The neglect of agriculture to the background by the government has also added to the problem of youth's unemployment in the region. As a result of the oil boom in 1970s and early 1980s, a combination of increasing petroleum production and rising price of petroleum products brought easy and wind fall earnings, which diverted Nigeria's attention from developing other sectors of the economy and encourage the neglect of agriculture (Abdulrahim, 2009).

Challenges of Youth's Entrepreneurship Development in Nigeria

The problem militating against the growth and development of Entrepreneurship in Nigeria as rightly observed by Sagagi (2010) is that over the years, states intervention on enterprise development capable of generating massive jobs were mainly political and not based on objective analysis of the key sectors. Another similar but not the same with the earlier identified problem as observes by (Sagagi, 2010) is that states lack a development agenda which will target few high potential sectors capable of producing massive growth and employment thereby putting the states back in their former developmental pedestals. There are certain binding constraints to operating businesses in Nigeria which tend to limit the ability of the country to create greater value than it could otherwise produce: failures in markets for agricultural inputs and outputs restrict productivity and growth thereby limiting the potentials of farmers to obtain necessary income to invest in higher value activities (DFID, 2006 in Sagagi, 2010). According to Tsauni, (2005) and Sagagi (2006) other factors limiting the development of manufacturing and services sectors are decaying infrastructure, inefficient institutions and lack of policy direction among others.

On the other hand, Aturu-Aghedo (2008) posits that the state participation in Nigerian Economic Management has been bedevilled by inefficiency, tardiness, inconsistency in decision – making and implementation due to

bureaucracy, and inefficient allocation of economic resources. According to most so call government intervention and programmes on entrepreneur over the years were politically motivated lacking all forms of pragmatic and objective bases. Sagagi (2010) asserts that in order to significantly reduce poverty and unemployment in Nigeria, the growth agenda to be pursued should be the one with potentials for massive business creation, higher wages and higher value goods and services.

Other limiting factors on the part of the **youth** Entrepreneurs as observed by (Auyo, 1990) include; Lack of managerial and Technical Skills; Inadequate Preparation; Inadequate Capital; Neglect/inadequate Supervision, Lack of separation between business and personal accounts; Other factors-unforeseen happenings or the act of God.

According to Beck *et al.* (2009); Ganbold (2008) and De la Torre *et al.* (2009), improving access to finance entails improving the degree to which financial services are available to all at a low price. Notwithstanding the importance and contribution of SMEs in nation building, the enterprises face serious difficulties and harsh condition when trying to obtain finance, especially from the formal financial institutions. Access to financing has continued to be a problem for SMEs. For example, Sanusi (2003) and Olutunla and Obamiyi (2008) observe that SME's access to formal financial system in Nigeria is very limited. Charles (2007) found that accessibility to finance and good management are central to SMEs' growth and development.

Conclusion

From the foregoing, it is clear that for Nigeria to achieve a holistic development cutting across economic as well as social spheres, youths entrepreneurship development should be prioritized. Therefore, systematic support for entrepreneurial endeavour is required in the area of accessibility to credit facilities. Unlike large-scale entrepreneurs, most of these small-scale entrepreneurs need facilitation for networking, resource mobilization, lower rates of interest, proxies for collateral and availability of information. Funds are normally limited as most beneficiaries have to rely on their own savings or borrow from relatives.

Non-financial assistance included organizing small business management training, workshops and seminars, technical assistance and networks (trade fairs, industry shows). Entrepreneurs need support services in addition to financial assistance to facilitate economic growth. In particular, entrepreneurs need support to enable them conduct market studies, prepare business plans and access loans.

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