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Entrepreneurship and economic development towards sustainance of peace and progress

Timothy A. Olaniyan, Oluwafemi J. Ayangbekun *

Redeemer's College of Technology & Management, Lagos – Ibadan Expressway, Ogun State, Nigeria.

Abstract

This paper is focused on the sustainability of peace and progress using the vehicle of entrepreneurship. The paper notes that entrepreneurship is essential for rapid and sustained economic growth and development. Therefore if the country is thrown to crisis or war, there will be decreased economic and entrepreneurship activities which are key indicators to strengthening any economy. Nigeria has abundant human and material resources which if properly harnessed can put the economy on the faster lane of development. But, unfortunately as a result of insurgency, militancy, robbery, kidnappings, corruption, unemployment and poverty, youths have not only been disempowered but also created conditions that predisposes youths to social vices which have largely undermined economic growth, political stability and overall national transformation. This paper recommends several entrepreneurship alternatives that can help the country to focus more on youth development and integration to curb the menace of social vices and also encourages the Nigerian youths to embrace self-employment and de-emphasize the search for white collar jobs that are largely non-existent and very misleading.

Keywords: Development; Economy; Entrepreneurship; Peace; Sustainability

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1. Introduction

Entrepreneurship is the act of organizing, managing and assuming the risk of a business by diverting and utilizing resources in an efficient and profitable manner (Sobel, 2008). The people who carry out such activities are known as entrepreneurs and are characterized by the common trait of doing something to change the status quo. In the quest for value creation, entrepreneurs have been known to create tremendous amount of wealth by providing products or services that has a superior quality or has never been provided before. Also, entrepreneurship addresses unemployment and the development of new industries.

1.1. Research objectives

- To gainfully engage the youth productively to curb social vices
- Development of self-reliance mentality for economic sustainability
- Alienating poverty in the region.
- Identification of business opportunities and picking up the challenges to become an entrepreneur
- To promote SMEs development in the country.

2. Types of entrepreneurship

Entrepreneurship can be said to be of various types. According to Steve Blank (2011), there are 4 types of entrepreneurship namely:

2.1. Small business entrepreneurship

This is the largest occurring at the moment. It largely consists of self-employed persons whose major aim is not to take over an industry or build large revenue based businesses, but feed their families and make a little profit. They consist of artisans, consultants and many more. They have little to no employer base and they contribute largely to the employment rate of their respective communities.

2.2. Scalable start-up entrepreneurship

They are the new trends in entrepreneurship, although they are the smallest category. They are visionaries with the aim of changing the world and they usually require enormous funding because the magnitude of profit they tend to generate when successful is too big to not take the risk. Their business models are scalable, thus creating high growth which in turn brings tremendous profits. Facebook, Alphabet (Google) and Uber are all examples.

2.3. Large company entrepreneurship

This type of entrepreneurship is also common place in the society. They consist of corporations who stay in business via being innovative and offering multiple kinds of a core product. They basically change with the customer taste, government legislations, new technology and even competitors. Examples are the fast moving

consumer goods companies. Aggressive marketing is mostly done by these companies to maintain market share.

2.4. Social entrepreneurship

This form of entrepreneurship is targeted at social good such as needs and problems faced by societies. Innovations are focused at making the world a better place rather than wealth creation for the founders. They could be non-profit, for-profit or a mixture of both.

3. Concept of economic development

Economic development involves an increase in the standard of living which has an effect on the self-esteem of the citizens and the evolution of a society to being free and just (Michael Todaro, 2011). He further suggests that an accurate method of tracking economic development is the Human Development Index which consists of literacy rates and life expectancy, thus affecting productivity leading to Economic growth. It is important to note the importance of government policies, its implementation and the cooperation of the general populace with them.

4. Effects of entrepreneurship on the economy

Entrepreneurship has been said to be the antidote for wide spread poverty. This claim has been supported over and over again, owing to the following factors (Seth, 2015):

4.1. New businesses/industries

The developments of more new businesses/industries occur to service the needs of established enterprises. For example, the call centre/Tech-support industry was created to service the software, telecommunication and hardware industries and the fresh employment opportunities created, stimulates the economy. Also, the production of the new products and services create avenues for new businesses to spring up in the value chain.

4.2. National income/GDP

The increase in the wealth of nations is brought about by the ingenuity of entrepreneurship. This can be seen in the increased employment opportunities created, with reasonable to high wages. The new wealth created in addition to the newly employed persons brings about an increase in tax base, which is the dream of every government. Increased tax base brings about increased government revenue which further brings about increased government spending that improves the standard of living.

4.3. Social change

Entrepreneurship is bringing solutions to problems faced by a large number of the population. In instances where solutions address an inefficiency that frees up more time, the increased man-hours can be channelled into more productive uses. This brings about economic growth, a subset of economic development.

4.4. Community development

In the quest for change, entrepreneurship is born and creates a desire to help others live a better life. What better way than through giving to various causes to affect the less privilege in the society, than from wealth gotten through entrepreneurship. The morality of philanthropy has been supported and championed by the likes of the Carnegie foundation, Rockefeller foundation, Gates foundation, Zuckerberg foundation, Dangote foundation and many more.

5. Nigeria as a case study

Nigeria has been plagued by demons, major of which is the widespread poverty faced by close to 110 million of its population of which 20% are in extreme poverty (Levinus Nwabughio, 2016). In a 2013 survey conducted by the Global Entrepreneurship Monitor among Nigerian youths, it was discovered that 82% believed they can identify business opportunities and that they possess relevant skills to become entrepreneurs. It was further discovered that 40% intend to start a business and 22% are in the process of setting up a business. One may be curious as to why the large disparity between the percentage of people who desire to be entrepreneurs and those who actually set out. Chief of the problems which possess hindrance is access to finance; of which 7% of funding is provided by financial institutions in a country where the minimum wage is way below \$100. Also, 82% were said to have been uninformed about government support programmes such as the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) which aims at promoting SME development in the country.

Infrastructural decay such as poor power production, bad road and non-functional rail networks, poor water supply are also major issues of entrepreneurship in the country. On the aspect of telecommunications, the internet penetration is one of the highest in the world but the quality of internet services and respective costs are not encouraging. The case of poor law enforcement is ever present, thus bringing uncertainty and increasing the already risky business environment in the society. Employability of Nigerian graduates is also an issue that is slowing down the pace of entrepreneurship and has resulted in the hiring of expatriates of foreign national, who demand high wages. One might wonder when these hindrances will become a thing of the past, but a new wave of success stories in the Nigerian entrepreneurial scene has even further galvanised the resilience of entrepreneurs especially in the Technology, Ecommerce, Travel and Leisure scene.

6. Role of government in entrepreneurship

The failure of government in running profit based corporations has been very pronounced over the years. This has brought about the relegation of government from profit making ventures to the core of government which is leadership through appropriate legislations. According to Nicholas Okoye (2015), the five (5) intervention areas for entrepreneurship by the government are:

6.1. The economic and enabling environment

The role of government in creating environments that foster entrepreneurial growth is the major key. Appropriate regulations prevent the occurrence of unfair market practices, pervasive corruption leading to financial crises and even criminal activities.

6.2. Access to funding

More efforts must be made in putting funds in the hands of entrepreneurs. The importance of capital in entrepreneurship cannot be overstated, since it is with this initial funding basic need such as purchase of machineries, purchase of inventory, payment of wages, marketing and payment of rents can be met. Cash is the lifeblood of business and the government plays a major role in creating protective legislations to prevent exploitation of entrepreneurs by financial institutions and freeing up surplus wealth for investment in entrepreneurship.

6.3. Access to training and skills

Skilled labour is a pertinent need of entrepreneurial ventures and the role of government is to create educational policies that bring about the training of skilled labour by making more investments in education, development of modern curriculums, learning methods and foreign exchange programmes.

6.4. Access to business premises

Infrastructural needs by enterprises are important since they have a direct effect on cost structures of goods and services. Transportation, utilities and access to business space are to be seriously worked on, to greatly reduce the amount of problems businesses are trying to solve at the same time.

6.5. Government support structures and systems

Access to appropriate data and bureaucratic inefficiencies greatly hinders entrepreneurship. Since time is an important factor in business, wisdom demands that information should be made readily available for businesses to aid their decision processes, while bureaucracy should be worked upon as more productive things can be achieved with the same amount of wasted time.

7. Conclusion

It will be unbecoming if problems are readily pointed out without making a proposal for solving them. In the case of Nigeria, the desire to engage in entrepreneurship is very high and this is met with a lot of challenges that dissuades many from achieving their desires. I strongly believe that to make Nigeria great again, there has to be an end to the lazy financial institutions exploitation of many when it comes to funding. Profiteering by

turning entrepreneurs into slaves in an already harsh economic environment speaks the least of regulatory bodies that should have the good sense of encouraging entrepreneurship. The lack of commitment by government to public utilities and infrastructure should be checked and Public Private Partnerships should be encouraged to speed up quality projects that will eventually bring an end to one of the major headaches of entrepreneurship. Also, I will strongly beacon on high net-worth individuals to pool resources together and invest in various forms of entrepreneurship as angel investors or venture capitalist since most of the new start-ups in town are receiving funding from foreigners.

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