

ENTREPRENEURSHIP: OPTION FOR RURAL DEVELOPMENT IN NIGERIA

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ABSTRACT

The study examined entrepreneurship as an option for rural development in Nigeria. The population of the study consisted of all the populace of Uyo local government area. Proportional random sampling technique was used to select 252 respondents out of the population. The instrument used for data collection was questionnaire. The instrument was validated by two experts in evaluation and test measurement. Data from 252 completed questionnaire forms were subjected to descriptive analysis. The findings showed that entrepreneurship option has much effect on rural development in rural area with reference to employment creation and economic activities. Recommendation was that the government should establish more entrepreneurial training and workshop programs that would serve as a guide for the populace in the acquisition of entrepreneurial skill in other to facilitate and fast-track rural development and their self-employability. The study suggested that Nigerian Government should try as much as possible to ensure that there is positive development in all the tiers of government and it should be seen in all sectors of the economy.

Keywords: Entrepreneurship; Rural Development; employment creation, economic activities

INTRODUCTION AND STATEMENT OF THE PROBLEM

Nigeria is naturally endowed with entrepreneurship opportunities; however, the realization of the full potential of these opportunities have been dampened by the adoption of inappropriate industrialization policies at different times. Several policy interventions that were aimed at stimulating entrepreneurship development via small and medium scale enterprises promotion, based on technology transfer strategy, have failed to achieve the desired goals as it led to the most indigenous entrepreneurs becoming distribution agents of imported products as opposed to building in-country entrepreneurial capacity for manufacturing, mechanized agriculture and expert services (Thaddeus, 2012). With the collapse of the last vestiges of the socialist economic system in 1991, virtually the whole world has embraced the free enterprise economic system.

According to Popoola (2014), entrepreneurship is the cornerstone and at the heart of the free enterprise economy. Entrepreneurship is an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes, and raw material through organizing efforts that previously had not existed (Shane and Venkataraman, 2000; Venkataraman, 1997). Studies by UNIDO-Nigeria (2012) show that Micro, Small and Medium Enterprises (MSMEs) has the propensity to drive the

Nigerian Economy, and data reveal that there are currently over 17 million MSMEs employing over 31 million Nigerians. MSMEs account for over 80% of enterprises that employ about 75 % of the Nigeria's total workforce, and therefore formulating and effectively implementing MSMEs friendly policies represents innovative ways of building the capacity to engage in entrepreneurial activities and creating job opportunities thus, playing a central and invaluable role in helping Nigeria realize its quantity advantage.

In addition, the 2012 Global Entrepreneurship Monitor (GEM) has empirically identified Nigeria as one of the most entrepreneurial countries in the world. The study showed that 35 out of every 100 Nigerians (over a third) are engaged in some kind of entrepreneurial activity or the other. It is therefore imperative at this point in time to critically evaluate not just the principles of entrepreneurship but the practice and its crucial role in fostering economic growth and development in a developing economy like Nigeria. The hypothesis that entrepreneurship is linked to economic growth finds its most immediate foundation in simple intuition, common sense and pure economic observation: activities to convert ideas into economic opportunities lie at the very heart of entrepreneurship. Entrepreneurship is a source of innovation and change, and as such spurs improvements in productivity and economic competitiveness (UNCTAD, 2004).

Lumpkin and Dess (1996) assert that entrepreneurship is not synonymous with small business. Certainly, small firms are an outstanding vehicle for individuals to channel their entrepreneurial ambitions. The small firm is an extension of the individual in charge (Lumpkin and Dess, 1996). However, entrepreneurship is not restricted to persons starting or operating an (innovative) small firm. Enterprising individuals in large firms, the so-called 'intrapreneurs' or 'corporate entrepreneurs undertake entrepreneurial actions as well. Nigeria's GDP growth rate of between 6–8 percent in the last ten years shows the country is one of the fastest growing economies in the world. The implication is that any good business established is capable of generating unusual and above average returns. It is one of the few countries with the highest returns on investment anywhere in the world, money market, capital market, mutual funds, real estate and property, entrepreneurship, etc (Popoola, 2014). Furthermore, for entrepreneurs to play an appropriate role, the role of the state remains important. However, in the absence of appropriate 'rules of the game', entrepreneurship may result in undesirable social outcomes, including corruption, crime, speculation and financial crises, and may worsen the vulnerabilities of people during natural disasters (UN Report, 2011).

Rural development is a strategy designed to improve the economic and social life of the rural poor (Umembali and Akubuilu, 2006). Deji (2005) sees rural development as a way of restructuring the national economy to bring about improvement in the standard of living of people in rural areas. However, rural development cannot be achieved unless certain strategies are used. Ebiriwa (2005) outlines some approaches to rural development as modernisation approach, transformation approach and demonstration approach, while Nwobi (2007) adds agricultural approach, internal combustion approach, basic resource approach, etc. to the list. Each of the listed strategies has contributed in one way or another to the development of rural areas. However, the inclusion of rural entrepreneurship as a strategy appears to be capable of contributing much more.

The poor state of most rural economies is very devastating and pathetic. Rural areas have peculiar problems of low income, low productivity, high degree of unemployment, high population rate, poor technological growth, low infrastructures, high illiteracy rate, malnutrition, etc. Entrepreneurial orientation to rural development in contrast to development based on bringing in human capital and investment from outside, is based on stimulating local entrepreneurial talent and the subsequent growth of indigenous companies. This in turn would create jobs and add economic value to a region and community and at the same time keep scarce resources within the community. To accelerate economic development in rural areas, it is necessary to increase the supply of entrepreneurs, thus building up the critical mass of first-generation entrepreneurs (Petrin, 1992). But there are worries that progress in the promotion of rural entrepreneurship may be hindered by lack of or inadequate understanding of its concept and role in the rural sector. Institution of appropriate promotional policies cannot be guaranteed unless there is adequate knowledge of rural entrepreneurship (on the part of the people) and its potential in rural development. Therefore, the focus of this study is to investigate the perception of rural entrepreneurs on the nature and role of entrepreneurship in rural economic development.

Purpose of the Study

The purpose of this study is to investigate the perception of rural entrepreneurs on the nature and role of entrepreneurship in rural economic development. The following objectives were developed to guide the study:

1. To examine the effect of entrepreneurship on employment in rural development
2. To examine the effect of entrepreneurship on income generating activities in rural development

Methodology

Research Design

This work adopted the descriptive research design.

Area of the Study

The area of this study is Uyo local government area

Population of the Study

The population comprised all the entrepreneurs in Uyo local government area.

Sampling Technique and sampling Size:

Out of the population, a sample of 252 entrepreneurs was taken and selected through the stratified random sampling techniques.

Instrumentation

An instrument called “Entrepreneurship: Option for Rural Development in Nigeria Questionnaire (EORDNQ)” was used to obtain data on the independent and dependent variables presented in both sections A and B of the questionnaire. While section A measured the demographic data of

the respondents such as name, gender, age, educational qualification and marital status and section B measured the independent variables.

Validation of the Instrument

The content validity of the instrument was determined by experts in test and measurement who marched the items of the instruments with the research questions in order to determine whether or not the instruments measured what they were supposed to measure.

Reliability of the Instrument

The reliability was determined through experts in test and measurement and statistics were given the instrument for rating in respect of the consistency with the research objectives. Items in which at least two experts agreed upon were regarded as suitable, the reliability coefficients was 0.85 and was considered substantially high enough to justify the use of the instrument. The exercise is expected to last for two weeks.

Method of Data Analysis

The research questions were answered using descriptive statistics.

Results

TABLE 1

Descriptive Analysis of the effect of entrepreneurship on employment creation in rural development

Variable	N	X	SD	Mean Difference
High effect	201	53.85	12.65	
				6.27*
Low effect	51	60.12	12.01	

***Remarkable difference.**

Source: Field Survey

The above table 1 presents descriptive analysis of the effect of entrepreneurship on employment in rural development. From the analysis it was observed that entrepreneurship in rural area have a positive effect on employment creation with a mean score of 60.12 than their counterparts having mean score of 53.85 with the mean difference of 6.27. The result therefore means that entrepreneurship has a remarkable effect on employment creation in rural area.

TABLE 2

Descriptive Analysis of the effect of entrepreneurship on income generating activities in rural development

Variable	N	X	SD	Mean Difference
High effect	167	56.40	10.63	
				3.82*

Low effect	83	52.58	15.77	
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***Remarkable difference.**

Source: Field Survey

The above table 2 presents descriptive analysis of the effect of entrepreneurship on income generating activities in rural development. From the analysis it was observed that entrepreneurship have a positive effect on economic activities with a mean score of 56.40 than their counterparts having mean score of 52.58, with the mean difference of 3.82. The result therefore means that entrepreneurship on income generating activities in rural development

Conclusion

Based on the data analysis of the study, it was concluded that the practices, concepts and the roles of entrepreneurial development boost and enhance rural development in Nigeria seeing to the fact they contribute to GPD of the nation, create job employment and promote economic activities.

Recommendations

The following were recommended:

1. The government should establish more entrepreneurial training and workshop programs that would serve as a guide for the populace in the acquisition of entrepreneurial skill in order to facilitate and fast-track rural development and their self-employability.
2. The study suggested that Nigerian Government should try as much as possible to ensure that there is positive development in all the tiers of government and it should be seen in all sectors of the economy.
3. SMEs should fully be used as a rural development parameter to ensure that they fully develop the SME sector by innovating, creating new product as well as assuming greater risks in the business by hoping that consumers will patronize new methods of business operation.

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