
Entrepreneurship and Job Creation Opportunities for Youths in Nigeria: Assessing the Key Aspects and Effects

Samuel David UDO, *Ph.D*
Department of Business Education,
University of Uyo, Akwa Ibom State

And

Bassey S. UDOM, *Ph.D*
Sociology and Anthropology
Social Sciences,
University of Uyo,
Akwa Ibom State

ABSTRACT

The study aimed at analyzing entrepreneurship and job creation opportunities for youths in Nigeria: assessing the key aspects and effects. The emergence of cashless policies has brought about significant changes in various sectors, including education. Entrepreneurship and job creation opportunities for youths have become vital topics in Nigeria, given the country's burgeoning population of young individuals and the pressing need for employment opportunities. With approximately 70% of Nigeria's population below the age of 30, it is crucial to explore and assess the key aspects and effects of entrepreneurship as a means to address the unemployment challenge and foster economic growth. The youth population in Nigeria faces numerous challenges in securing stable employment due to limited job opportunities in the formal sector. The paper reviewed the concept of entrepreneurship, concept of job creation, effect of entrepreneurship on job creation and opportunities for youths and how to strengthen youths' economic growth. The study concluded that The Nigerian government has launched a number of entrepreneurship projects in the last year with the goal of giving young people work and removing poverty from society. It is thought that entrepreneurship development programs in Nigeria have influenced and contributed to the country's social and economic growth as well as the accelerated creation of jobs for young people. There are many ways that entrepreneurship contributes to the creation of jobs, including the possibility of supply chain effects, the creation of an economic multiplier effect, and many others. Small and medium-sized businesses also offer employment opportunities to people with a range of educational backgrounds and skill sets. One of the recommendations made was that through the use of professional behavior and making sure that adolescents are properly mobilized and engaged in that direction, entrepreneurship programs should be set up with the purpose of eliminating poverty and ensuring sustainable employment creation.

KEYWORDS: Entrepreneurship, Job Creation, Opportunities and Youths.



Introduction

Entrepreneurship and job creation opportunities for youths have become vital topics in Nigeria, given the country's burgeoning population of young individuals and the pressing need for employment opportunities. With approximately 70% of Nigeria's population below the age of 30, it is crucial to explore and assess the key aspects and effects of entrepreneurship as a means to address the unemployment challenge and foster economic growth. The youth population in Nigeria faces numerous challenges in securing stable employment due to limited job opportunities in the formal sector (Akanbi, Olawoye & Oyeboade, 2021). This scenario necessitates the exploration of alternative avenues for economic empowerment, such as entrepreneurship. By engaging in entrepreneurial activities, young individuals can harness their skills, creativity, and innovation to create their own job opportunities and contribute to economic growth. Nigeria, as the most populous country in Africa, faces significant challenges in providing employment opportunities for its ever-expanding youth population. According to recent reports, Nigeria's youth unemployment rate stands at an alarming level, with a large percentage of young people either underemployed or entirely jobless. This situation not only poses a threat to the country's socio-economic stability but also hampers the overall development and well-being of its youth.

In light of this predicament, entrepreneurship has emerged as a promising solution to tackle the unemployment crisis and create job opportunities for Nigerian youths (Adeniran, Akinola, Oyewo & Usaini, 2021). The concept of entrepreneurship encompasses the process of identifying and exploiting business opportunities, taking risks, and creating value through innovative ideas, products, or services. By fostering an entrepreneurial ecosystem that empowers young individuals with the necessary skills, resources, and support, Nigeria can unleash the potential of its youth, driving economic growth and reducing unemployment.

Statement of Problem

Despite the potential benefits of entrepreneurship and job creation for youths in Nigeria, there is a need to assess the key aspects and effects of these opportunities. While entrepreneurship holds promise for addressing unemployment and driving economic growth, there are several challenges and gaps that hinder its successful implementation. Therefore, it is essential to understand the current state of entrepreneurship and job creation for Nigerian youths, and evaluate the key factors that contribute to their success or failure. This research aims to identify the barriers, opportunities, and effects associated with entrepreneurship and job creation in Nigeria, with a particular focus on the youth demographic. By analyzing these aspects, policymakers, stakeholders, and entrepreneurs can gain insights into the necessary interventions and strategies needed to foster a conducive environment for youth entrepreneurship and maximize its positive impact on the Nigerian economy.

Concept of Entrepreneurship

The word "entrepreneur" comes from the French verb *entreprendre*, which also means to attempt, attempt, try in hand, or contract for. Richard Cantillon, a French economist of Irish ancestry, coined the word "entrepreneurship" in 1755 (Holt, 1998). By



examining the economic growth of a country, Cantillon is credited with giving the idea of entrepreneurship a key place in economics. By examining a country's economic development, Cantillon is regarded with being the first to give the notion of entrepreneurship a significant place in economics.

According to Richard Cantillon's (2018) interpretation, an entrepreneur is someone who purchases something at a set price with the intention of reselling it for a variable price. By doing this, they decide how to use and acquire resources while also accepting the risk associated with the enterprise. Entrepreneurship, according to Nzewi, Onwuka, and Onyesom (2017), is a dynamic cycle of invention, change, and vision. It necessitates channeling energy and excitement towards the development and application of ground-breaking ideas and explanations. An entrepreneur is someone who comes up with ideas, innovates, takes calculated risks, and realizes their dreams. An entrepreneur is seen as someone whose concepts have resulted in the founding of a successful company endeavor or the creation of a remedy for a specific social issue. An entrepreneur is seen as an important game-changer for company practices, product passion, effective use of scarce resources, etc. A risk-taker is someone who is prepared to incur both known and unknowable risks in order to make sure that their goals and ideas are effectively implemented. An entrepreneur is seen as someone who does all in his power to make sure that his ambitions come true. He has unfathomable dreams and, without prejudice or concern about failure, he makes sure they come true. Entrepreneurship, according to the company Dictionary of 2017, is the process of seeing and developing new company prospects while taking on financial risks in the quest for success and profit. An entrepreneur is an individual who organizes and operates a business, typically with innovative ideas or by leveraging existing resources in new ways. Entrepreneurship involves various processes, such as recognizing market gaps or needs, developing innovative products or services, mobilizing resources (including capital, labor, and technology), managing risks, and assuming responsibility for the success or failure of the venture. Entrepreneurs often exhibit characteristics such as creativity, passion, determination, and a willingness to take calculated risks. They are driven by a desire to bring about change, make an impact, and create value in the marketplace. Successful entrepreneurship can contribute to economic growth, job creation, and the development of new industries and markets. Entrepreneurs can be found in various sectors, including technology, manufacturing, finance, social enterprises, and more.

Youth entrepreneurship, as defined by Amadi, Ukoha, and Alagah (2018), is the participation of young people in entrepreneurial activities, often between the ages of 18 and 35. It includes the entire process of young people starting, growing, and running a business. The theory behind youth entrepreneurship is that young people have the inventive ideas, enthusiasm, and risk-taking capacity that are necessary for starting and operating a firm. It gives young people the chance to discover their creativity, hone their skills, and support economic expansion and employment development.

Here are some key aspects of youth entrepreneurship:

- **Innovation and Creativity:** Youth entrepreneurs often bring fresh perspectives, innovative ideas, and creative solutions to problems. Their entrepreneurial ventures are often driven by new technologies, social change, and emerging trends.



- **Economic Empowerment:** Youth entrepreneurship plays a crucial role in fostering economic empowerment. By starting their own businesses, young entrepreneurs can create job opportunities not only for themselves but also for others in their communities. They contribute to economic growth, wealth creation, and poverty reduction.
- **Skill Development:** Entrepreneurship offers a unique platform for young people to acquire and develop a wide range of skills. Through the process of planning, executing, and managing their ventures, young entrepreneurs learn valuable skills such as leadership, problem-solving, critical thinking, communication, financial management, and networking.
- **Risk-Taking and Resilience:** Entrepreneurship involves taking risks and dealing with uncertainties. Youth entrepreneurs learn to embrace challenges, overcome failures, and adapt to changing circumstances. These experiences help them build resilience and develop a growth mindset.
- **Social Impact:** Youth entrepreneurship is not solely focused on financial gains. Many young entrepreneurs are driven by a desire to make a positive social impact. They develop businesses with a social or environmental mission, aiming to address pressing issues such as sustainability, poverty, education, healthcare, and equality.
- **Supportive Ecosystem:** Creating a supportive ecosystem is essential for nurturing youth entrepreneurship. This includes providing access to mentorship, training programs, networking opportunities, financial resources, and regulatory frameworks that promote entrepreneurship. Governments, educational institutions, non-profit organizations, and private sectors all play a role in fostering a conducive environment for young entrepreneurs.
- **Digital Technology:** The digital age has significantly influenced youth entrepreneurship. The widespread availability of technology and the internet has lowered barriers to entry, enabling young entrepreneurs to start businesses with minimal resources and reach a global audience. Digital tools and platforms have become vital for marketing, e-commerce, collaboration, and scaling up ventures. Youth entrepreneurship is a dynamic and vital component of economic and social development. It empowers young people to shape their futures, contribute to society, and drive innovation and change.

Concept of Job Creation

The idea of job creation refers to the process through which new employment possibilities are produced within an economy, according to the Bureau of Labor Statistics (BLS). It entails the development of jobs or roles inside companies that call for people to carry out particular duties or offer particular services.

Here are some key aspects of job creation:

- **Economic Growth:** Job creation is closely linked to economic growth. As an economy expands, there is a greater demand for goods and services, which leads to increased production and the need for additional workers to meet that demand. Job creation is often considered a key indicator of a healthy and thriving economy.



- **Entrepreneurship and Business Expansion:** Entrepreneurs play a vital role in job creation. When individuals start new businesses or expand existing ones, they typically hire employees to support their operations. Small and medium-sized enterprises (SMEs) are particularly significant in job creation, as they are often major contributors to employment in many countries.
- **Industry and Sector Dynamics:** Job creation varies across industries and sectors. Some sectors, such as technology, healthcare, and renewable energy, have shown significant growth in recent years, resulting in the creation of new jobs. On the other hand, certain industries may experience declines in employment due to technological advancements, automation, or changing market conditions.
- **Government Policies and Initiatives:** Governments play a crucial role in facilitating job creation through various policies and initiatives. They can implement measures to promote entrepreneurship, attract foreign direct investment, support the growth of specific industries, provide incentives to businesses, and create a favorable business environment. Job training programs and educational reforms can also contribute to the development of a skilled workforce.
- **Regional and Local Factors:** Job creation is influenced by regional and local factors such as population growth, infrastructure development, availability of resources, and the presence of industries or clusters. Certain areas may have a higher concentration of job opportunities due to favorable conditions, while others may face challenges in attracting businesses and creating employment.
- **Quality and Sustainability:** Job creation is not solely about the number of positions created; it also involves the quality and sustainability of those jobs. Factors such as wages, benefits, working conditions, and opportunities for career growth and advancement contribute to the overall quality of employment. Sustainable job creation aims to ensure long-term stability and resilience in the labor market.
- **Social and Economic Impacts:** Job creation has significant social and economic impacts. It reduces unemployment, enhances household income, decreases poverty rates, and improves the overall standard of living. Job creation also stimulates consumer spending, boosts tax revenues, and contributes to economic stability and development. Understanding the dynamics of job creation is crucial for policymakers, businesses, and individuals as they seek to foster economic growth, reduce unemployment, and enhance prosperity within a society.

Effect of entrepreneurship on job creation and opportunities for youths

Entrepreneurship plays a vital role in job creation and has a significant impact on employment opportunities within an economy. Here are some of the effects of entrepreneurship on job creation:

- **New Venture Creation:** Entrepreneurs start new businesses and ventures, leading to the creation of job opportunities. They identify gaps in the market and develop innovative solutions, which require a workforce to bring those ideas to life. As new ventures grow and expand, they generate employment opportunities for individuals with diverse skills and expertise.



- Small and Medium-Sized Enterprises (SMEs): Entrepreneurs often establish small and medium-sized enterprises, which are major contributors to job creation. SMEs are known for their ability to adapt quickly to market demands and create jobs at a faster rate than larger corporations. These businesses can provide employment opportunities to individuals with varying levels of education and skills.
- Innovation and Technological Advancement: Entrepreneurs are typically at the forefront of innovation and technological advancement. They introduce new products, services, and processes, which can lead to the creation of entirely new industries and job sectors. The adoption of innovative technologies within entrepreneurial ventures often requires a skilled workforce, thus increasing employment opportunities for individuals with specialized knowledge.
- Supply Chain Effects: Entrepreneurs are often connected to supply chains, both upstream and downstream. As their businesses grow, they require inputs from various suppliers, thus creating additional employment opportunities in those industries. Similarly, as their products or services reach the market, they often involve distribution networks, leading to job creation in transportation, logistics, and retail sectors.
- Economic Multiplier Effect: The job creation resulting from entrepreneurship has a multiplier effect on the economy. When individuals are employed, they have more disposable income to spend, which stimulates demand for goods and services. This increased demand, in turn, can lead to further job creation across multiple sectors, as businesses expand to meet consumer needs.
- Regional and Local Development: Entrepreneurship can play a crucial role in regional and local development. In areas with limited job opportunities, entrepreneurs can revitalize the economy by establishing businesses and creating employment opportunities. This can lead to increased investment, infrastructure development, and improved living standards in those regions.
- The Entrepreneur determines or identifies the specific wants: The people and the type of goods and services that will fulfill those wants most comfortable. Emeruwa (2005) asserted that the entrepreneur does not only identifies but mobilizes and organizes the resources to tap the opportunities by assisting men, materials, money and machines to explore the opportunity. Production of goods and services that is important to the well-being, comfort and happiness of individuals in the society at large.
- Entrepreneurship stimulates rural, economic and industrial development: They contribute to the development of rural areas. They do this by establishing their small/medium scale enterprise in such areas by discouraging rural migration. They provide ample job opportunities to the rural dwellers. They also provide goods and services, which could be found in an urban area and sometimes provide infrastructural facilities.
- Through entrepreneurship education, a pool of potential entrepreneurs who are well equipped with skills and technical know how to manage small/medium scale industries are produced. This will equally help in job creation. Through quality entrepreneurship education, Nigeria could produce a lot of entrepreneurs who could establish and manage businesses on their own. Based on the above merits, it is no doubt that entrepreneurship education could be used as major weapon in



achieving the Millennium Development Goals (MDGs) by empowering the individual in the society to be self-reliant. This will help reducing poverty in Nigeria.

- The entrepreneurs are usually motivated in their activities not only by the need for material contributions to the welfare of the communities but also desire to make profit. This uplifts the dignity of labour. Through entrepreneurship education, utilization of local resources is made possible. The graduates of this specialized education set up their small/medium scale business, which will enable them to utilize the local resources available in their vicinity. The uses of local raw materials are discarded by products of large firms as primary input in their production processes. Owualah in Olorunmolu (2008) asserted that in terms of their economic benefits small firms can be said to be greater in local resources maximizes than their large counterparts. The provision of raw materials for the big firms help them to increase their production hence employ more personnel thereby creating jobs for unemployed youth in the country.

How to strengthen youths' economic growth?

- **Strengthen the digital economy:** In many respects, Africa's digital economy has expanded exponentially. For instance, the African mobile phone industry, which has seen subscriptions soar to 760 million in 2017 from 87 million in 2005, is one of the fastest-growing markets in the world. Despite innovations in the African technology sector, the digital divide remains a serious challenge, as about 66% of Africans are still offline. Digital trade, supported by digital tools and platforms, stands to benefit the most from better market access in Africa and has the potential to become the next frontier in intra-African commerce. For this opportunity to become a reality, however, substantial investments are needed to bridge the digital divide. African governments must invest strategically and systematically to develop digital infrastructure, services, and solutions. For instance, internet costs must come down, as consumers in African countries pay some of the highest rates in the world for internet access as a proportion of their income. The disruptions caused by COVID-19 have underscored the importance of digitalization as a tool for growth and building more resilient economies. Investing in infrastructure and developing supportive policy frameworks will facilitate better access to many underserved segments of the population, such as youth, and help maximize the potential dividends of the AfCFTA.
- **Improve Access to Finance:** Access to finance is one of the biggest challenges for SMEs in Africa, particularly youth-led enterprises and entrepreneurs. Addressing this challenge requires dedicated, youth-sensitive interventions from a range of actors, including banks and other types of financiers, the government, trade and business support organizations, and development institutions. Adopting customized financial inclusion initiatives for youth, such as grants, low-interest loans, and innovative trade-finance solutions, will enable young entrepreneurs and enterprises to take advantage of the AfCFTA's business and trade opportunities.
- **Create an Enabling Environment:** It is important to foster an enabling environment to maximize the benefits of the AfCFTA for youth. This involves



developing and strengthening the following complementary measures to build a supportive ecosystem for young people.

- **Strengthen youth networks:** Young professionals and entrepreneurs are spearheading youth associations and networks in Africa at the continental, regional, country, and local levels. These organizations provide a platform to advocate for better solutions to address the challenges that they face. Policymakers and development institutions should support these associations by providing resources to help facilitate their mission and disseminate information on the AfCFTA. It is also important to increase their participation in the AfCFTA negotiation processes and national strategies to promote youth-inclusive measures and effective implementation of the agreement.
- **Support business support organizations:** Business support organizations, such as accelerators, hubs, and incubators, are a vital lifeline for young entrepreneurs and enterprises in Africa. These organizations enable and underpin entrepreneurship and innovation by developing the skills of youth-led enterprises and providing access to essential resources and networks. For instance, initiatives to build capacity through business development, financial, trade, and investment-readiness trainings give young entrepreneurs the knowledge and expertise they need to start and expand their businesses. Supporting these organizations will encourage entrepreneurship among African youth and the development of burgeoning business ecosystems under the AfCFTA. It will also expand the capacity of existing youth-owned businesses, leading to greater job creation and reducing unemployment in Africa.
- **Improve education and skills development:** Access to education and skill development are essential to building the knowledge and productivity of African youth. Yet the continent faces a skills gap, as opportunities for general education as well as technical and vocational education and training are limited. Barriers and gaps in African education systems make it difficult for young men and women to access primary and secondary schooling, and where it is provided, the quality is often low. Improving educational systems through investments in better curriculums and resources is key to developing a stronger workforce. It is also important to ensure that vulnerable populations, such as girls and rural youth, have access to education. In addition to formal schooling, technical and vocational education and training programs are critical tools for economic growth and development. These programs provide young people with a broad range of essential skills and decent work opportunities, particularly for those in the informal sector. The current skills gap significantly hinders African youth from maximizing their full potential. Increasing and enhancing educational, technical, and vocational offerings will empower youth to contribute meaningfully to their societies.

Conclusion

The Nigerian government has launched a number of entrepreneurship projects in the last year with the goal of giving young people work and removing poverty from society. It is thought that entrepreneurship development programs in Nigeria have influenced and contributed to the country's social and economic growth as well as the accelerated creation of jobs for young people. There are many ways that



entrepreneurship contributes to the creation of jobs, including the possibility of supply chain effects, the creation of an economic multiplier effect, and many others. Small and medium-sized businesses also offer employment opportunities to people with a range of educational backgrounds and skill sets.

Recommendations

1. Through the use of professional behavior and making sure that adolescents are properly mobilized and engaged in that direction, entrepreneurship programs should be set up with the purpose of eliminating poverty and ensuring sustainable employment creation.
2. The program should be created in a way that only those who are passionate, zealous, and interested in such a program should be chosen, for the benefit of the young people who have an interest in entrepreneurship. The consequence is that it will help organizations to lower the proportion of uncommitted participants in the program, saving organizers money and allowing for the recruitment and training of the best candidate(s).
3. The government should not cause entrepreneurs to face the challenge of entrepreneurship alone. Hence, the government should ensure that entrepreneurship programs are designed with long-term strategic plans so as to ensure sustainability and continuity of such programs, even though they are in private hands.



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