



Reducing Political Challenges in Nigeria through Entrepreneurship

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Abstract

Political Challenges in Nigeria have been a devastating and persistent bottleneck towards the growth of this nation. Entrepreneurship is an area that has attracted the attention of various researchers, in government, academics, as well as private individuals. This arose the interest of the researchers to explore how entrepreneurship can serve as a panacea to reducing political challenges in the country. To this end, the researchers adopted a multidisciplinary approach in the study of entrepreneurship to tackle political challenges. Salient concepts in the study such as development, entrepreneurship, and nexus between political challenges and entrepreneurship were highly discussed. The paper revealed that entrepreneurship is nothing but an engine for reducing abject poverty, deprivation, destitution, debasement, inferiority, cheap labour, and the likes which are capable of springing up political challenges in the country. The paper recommends among others that various government poverty alleviation programmes should be strengthened through adequate supports necessary to empower the identified entrepreneurs in the country and encourage the youths to make entrepreneurship a priority. The paper, therefore, concludes that political challenges are a result of poor concentration in entrepreneurship in the country.

Keywords: Reduction, Political challenges, Development and Entrepreneurship

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Introduction

One of the primary determinants of the wealth of a nation is entrepreneurship. Entrepreneurship is the ability of individuals, investors to engage themselves in building a new business or repositioning the existing establishments in order to modify to the innovations of the trending economic and political environment in recent times (Osisioma, 2009). Entrepreneurship and economic growth are Siamese twins, that is to say, that entrepreneurship and economic growth are mutually reinforcing. Therefore, any government that is interested in the reduction of political challenges should examine some political factors that hinder the emergence of entrepreneurship in such a political system. The agent of change in any stable political country



is no doubt, the individual entrepreneur who responds to the incentives embodied in the institutional entrepreneurial framework (Ariyo, 2005).

Entrepreneurship is the combination of innovation, initiative, and calculated risk-taking associated with identifying market opportunities, mobilizing resources and managing them effectively and efficiently in the operation of productive, viable and socially responsible enterprises (Osisioma, 2009). Entrepreneurship involves casting the vision and defining the path to the future, refusing to accept the status quo and taking risks in the pursuit of over-arching goals (Nkamnebe, 2006).

Furthermore, a politically developed country is one that denotes some significant changes whenever changes abound and have the ability to sustain it. Abimbola & Agboola (2011), compared the political system at three levels, i.e. maintenance and adaptation, conversion and capability on structural differentiation or multi-functionality. The theory of political system consists of the discovery of the relationship among these different levels of function at each level. A country like Nigeria grounded by so many multi-cultural groups with divergent political inclinations, resulting in political thuggery with a number of loss of lives and properties. The manifestation of political ideology has eaten deep in all-round activities in the country. In an ideal situation, democracy should be an avenue that brings opportunities to people through total involvement in a political space; unfortunately, it is the other way round (Bula, 2012).

A country that is bequeathed with abundant natural resources like that of Nigeria has the tendency of recording a huge economic development if the resources are properly harnessed. The ugly part of it is that political challenges in the country like corruption, nepotism, embezzlement, thuggery, Godfatherism, insecurity, greediness etcetera, have been at the forefront in dwindling our natural resources. This has called for an integration of entrepreneurial development to revive our poor political situation, at least putting our face off the resources and making positive use of them as raw materials to produce other goods for export purposes. Yet much is left to be done as political challenges in the country are growing winds day by day. It has been observed by different authors that most people who engage in these crimes are unemployed youths. Even those with entrepreneurial skills due to political factors such as corruption, political patronage, and the likes do not have access to adequate materials necessary to manifest their dreams. Unemployment being a moderating factor here also has been on increase. The number of youth unemployment in Nigeria has remained high, rising from 13.1% in the year 2000 to 23.9% in 2011, with youth unemployment put at over 50% (IMF, 2013; Risenetworks, 2013). In 2011, over 100 million Nigerians live below the poverty level less than US\$1 a day and with the percentage of the population in abject poverty rising from 54.7% in 2004 to 60.9% in 2010 (Yusuf, 2011) cited in (Egwu, 2014). In 2018, a significant number of the population (67 per cent) is said to be living below the poverty line, while many more fall into poverty daily (Olubunmi, 2018). This has led to so many political crises in the country. It is based on this that the interest in the study arose to explore entrepreneurship as a tool capable of reducing political challenges in Nigeria.

Literature Review

Concept of Entrepreneurship

As a development agent, entrepreneurship is value creation and that compels the creator to take a risk and innovation needed for rapid economic development, through the process of 'creative destruction', by which obsolete technologies and ideas are replaced by new ones (Schumpeter, 1934). An entrepreneur is not necessarily an agent of change, but one that searches for change, responds to it and exploits it as an opportunity (Drucker, 1985). He agrees with



Knight (1921) who asserts that entrepreneurs attempt to act upon change and predict bearing the uncertainty of market dynamics. More so, Martin & Osberg (2007) assert that entrepreneurship is the product of a combination of three elements: the context in which the opportunity arises or is created, a set of personal competencies necessary to identifying and using the capacity and opportunity to actualize the opportunity by transforming it into a working business. But what happens after the opportunity has been discovered and there are no resources to achieve it. The answer is simple, the individual would be discouraged and any available offer before him/her might be an alternative. In the opinion of Leibenstein (1968), entrepreneurship involves activities that are necessary to carry on or create an enterprise. That is a good one, but oftentimes these activities towards helping the entrepreneurial spirit are politicized leaving the person with the option of engaging in social vices. The opinion of Gartner (1988) seemed quite intriguing. To the author, entrepreneurship has to do with the creation of new organizations. When organizations are created, it leads to more job recreation and invariably reduces unemployment. In another functional definition by Obi (2004) cited in Obi (2010), entrepreneur is one who establishes an enterprise, pilots the affairs of an organization, coordinates, controls and organizes the production process to achieve organizational goals. Obi's definition clearly shows that an entrepreneur must combine all factors of production such as land, labor, and technology in such a way as to maximize the production of goods and services as well as profit. From all the indications, there is no doubt that entrepreneurs can reduce political challenges in Nigeria. An environment where the majority number of the citizenry are entrepreneurs, crimes, corruption and the likes would undoubtedly be swept under the carpet.

Concept of Development

The concept of development is multi-faceted and very crucial for countries that want to achieve economic growth, therefore, it cannot be overemphasized. Researches have proven that no country can survive or said to be developed in a political challenging situation such as; corruption, nepotism, instability, etc. In order to reduce political challenges, development according to is viewed as unfolding, uncovering, bringing out to light especially something that is hidden (Cassel Concise dictionary, 1997). The level of entrepreneurship in Nigeria is still not as significant as to reduce political challenges. Many Nigerians are still hoping for white collar jobs for survival. This leads to struggle to belong which the result is not far from political challenges.

Obi (2007) defined development to be the general upliftment of an individual socially, mentally, economically, morally, and culturally. When an individual is economically and socially motivated the issue of engaging in social vices would not surface. Development is a discontinuous and spontaneous change in the stationary state which forever alters and displaces the equilibrium state previously existing (Schumpeter, 1934). A stagnant state of political challenges in Nigeria has to be discontinued and spontaneously bring forever change in the economy and that can be achieved through entrepreneurship. A poor economy springs up political challenges in the country that is why Everyman's Dictionary of economics defined development as simply economic growth. This economic growth entails an increase in real income per head and also an increase in economic and social or other changes that lead to growth. From all these definitions, it is concluded that development should be a situation where a significant number of the populace are skillfully empowered and motivated towards recreating jobs in the country.

Nexus between Political Challenges and Entrepreneurship

In recent times, the issue of entrepreneurship has generated and still generating huge interest in most countries. It is believed that with the interest in entrepreneurship, it will help in combating

unemployment, poverty eradication and underdevelopment (Virtanen, 2004). The impacts of entrepreneurship to a political system arose the interest of researchers from many academic fields in searching for the driving force and determining factors that cut across political considerations and economic realities that have kept entrepreneurs at the forefront in national development. Entrepreneurship cannot be denied of being one of the surest ways of getting out of political challenges. The unstable political system has been described as the greatest violence to humanity and an obstacle in the wheel of development and at large a problem to entrepreneurship. A country with abject poverty, deprivation, destitution, debasement, inferiority, cheap, dearth of resources and existence at a level considered abnormal or less than comfortable is viewed to be poor (Osisioma, 2009). We need to learn and acquire the knowledge required to fight poverty and misery. We need to practice what it takes to create, nurture and prosper in wealth. This is the fight that needs a vigor to a sustainable stable political system. There is no gainsaying that there is no political system without any challenge. The question is, how pressing is the challenge? Okeke (2014), identifies the sociological and political environment as factors contributing to entrepreneurial development. He pointed out that plausible factors like personal traits, motives, and incentives of an individual also pose a serious challenge to entrepreneurship.

According to Eneh (2010), the major constraints to the development of entrepreneurship relate to not only the political environment, but socio-economic, and cultural factors that could not be managed in the country. Agbola and Abimbola (2006), cited in Idam (2014) emphasized the destructive effect of poor infrastructural facilities, including; epileptic power supply, poor condition of a road network and inadequate supply of water on developing businesses. He also added that a related environmental factor is the incessant cases of kidnapping and insurgence of Boko-haram which creates an unhealthy and insecure environment for business operation. Idam (2014), persisted that the high cost of doing business in Nigeria imposes the economic dimension of challenges on the nascent enterprise. Furthermore, Okeke and Eme (2014), reporting World Bank 2014, write that a report of 2008 commissioned by the World Bank to assess the challenges confronting business in Nigeria; a wide range of issues were pointed out as constraints to doing business in Nigeria. These include inadequate access to finance, poor electricity supply, poor transportation system, poor access on land ownership, unfriendly tax system, high rate of crime, corruption, child and human trafficking, insurgency, poor political environment, poor customs and trade regulations, inadequately trained workforce and labor regulation.

The rate of the high incorporated cost of small business permits and license add up to other startup costs to create a heavy burden on small and medium business faced with limited access to credit facilities and high-interest rate. All these calls for attention, directed to the government to create an enabling sole proprietorship environment for citizens to be able to be trained and start up a business with a little loan and less interest rate.

The trending institutional evidence like this suggests that economic, political and environmental issues listed above pose serious threat to entrepreneurship development in the country. Even though there is an internal drive that keeps some citizens of the country to strive for goal-oriented businesses, but sad enough this drive is far more seem to have been frustrated or young raptured by the prevailing political situations of the country and are anti-development towards entrepreneurship. The good news is that whether the country is retrogressing or not, entrepreneurship has come to stay with new emerging developmental keys to improve all the facets of the country's economy through its contributions.

Contribution of Global Entrepreneurship

Before now, Nigeria's participation in the global entrepreneurship business was very restricted in time and scope. This means that the Nigerian enterprises were largely restricted to the opportunities offered by the local markets. The limited success being attained by Nigerian enterprises from participation in the global markets was largely through inward-internalization entrepreneurship, in which they imported all forms of consumer goods. This explains why trading has become pervasive in the economy. As has been argued, such level of participation at best would result in subsistence development (Nkamnebe, 2006).

Generally, international entrepreneurship is discussed from two perspectives, namely; comparing entrepreneurial behavior in multiple cultures and entrepreneurial organizational behavior of enterprise that extends across national borders (McDougall & Oviatt, 2003). These perspectives often influence the definition of international entrepreneurship, for instance, the definition of entrepreneurship would be the combination of innovative, proactive and risk-seeking behavior that crosses national borders and is intended to create value in an organization (McDougall & Oviatt, 2000). This definition is drawn from the concept that international entrepreneurship is driven by the urge by entrepreneurs to create enterprises in various national markets. Such endeavors could be argued to emanate from the increasing desires of entrepreneurs to seek and exploit market opportunities across the globe, a behavior that has been accentuated by globalization.

With the disappointing performance of Nigeria in her development trajectory and her concomitant rating as one of the poorest nations in the world, the need for Nigerians enterprise embrace exporting cannot be overstressed. Such diversification into the global market represents a viable and feasible option for Nigeria's hope of sustainable development as we cross the threshold of a new century and new millennium (Anyanwu & Nkamnebe, 2003). Nigeria has not taken exporting very seriously particularly in the non-crude petroleum sector, this has resulted in a monoculture of foreign trade portfolio that is heavily dependent on crude petroleum with its associated developmental risks. As the search for alternative economic development options intensifies as macro and firm levels, the option of the expanded export portfolio would appear to hold better hope and prospects. The present globalization reality has made this even clearer. If one may admit, achieving superior export performance is never straight forward, apparently as a result of multiple, diverse and idiosyncratic nature of the marketing process and our environment (Leonidou et al, 2001). Entrepreneurship has contributed to the mobilization of domestic savings and the utilization of local resources (Fabumi, 2014). Small and medium scale business serves as a good agent for the disposal of industrial products and some of their services have also contributed greatly to the production of unprocessed materials in form of semi-processed goods for use by larger industries. The essence is for the development of appropriate technology and provides a veritable ground for untrained, and semi-skilled workers. It has also ensured lucrative self-employment to a number of educated and less educated young men and women coming out of schools, colleges, polytechnics, and universities (Onwumere, 2000).

Research Method

This conceptual paper is based on a review and analysis of research and data from the literature. Secondary data were used from relevant books, journals, the internet, seminar papers, and unpublished works. The data were analyzed using content analysis. Terms such as

entrepreneurship, development, and political challenges were used, and enormous information was found. Information on development, by Schum Peter (1934) and Obi (2007) proved promising. The literature on entrepreneurship from Okeke and Eme (2014), and Gartner (1988) were used to add value to the research. The most helpful piece of literature was Idam (2014) which said that “the high cost of doing business in Nigeria compels economic dimension of challenges on the nascent enterprise.

Discussions

Entrepreneurship has no doubt found to be one of the developmental processes in Nigeria, both in economic building and stabilization (Adejumo, 2001). Studies have shown positive and continued stimulation of economic growth through entrepreneurship. Think of entrepreneurship, think of employment, empowerment and poverty eradication (Thomas & Mueller, 2000). The literature reviewed indicated that entrepreneurship has been a powerful engine of economic growth and wealth creation for many developing countries, and it is important for improving the quality, number, and variety of employment opportunities for the poor masses (Oteh, 2009). The existing evidence in the literature has also shown a correlation between economic growth and the level of entrepreneurship in Nigeria. The higher the level of entrepreneurship, the higher the stability of the economy. A study carried out by the Global entrepreneurship monitor (2008) showed that the economic growth of a country is directly correlated to its level of entrepreneurial activity. The benefits of entrepreneurship in developing country like that of Nigeria cannot be overemphasized. Entrepreneurship has multiple chains of effects on the economy, ignites innovations, and fosters investments in individuals, which paves way for a better source of competition to a particular country, than that of natural resources which in no distant time depreciate. Entrepreneurs (i.e., a man of their own business) creates new enterprise, new commercial activities and new economic sectors in the state and country at large. They are job generators for others, they produce goods and services for society, and they also introduce new technologies that improve work outputs. Entrepreneurs earn foreign exchange through expansion or substitution for importations (Oteh, 2009).

Summary/Conclusion

Efforts have been made to explore development and entrepreneurship in a political environment like Nigeria and findings were observed as well. From recent observation, it is quite glaring that entrepreneurship is the brain behind political stabilization and economic development both in developing countries like Nigeria and developed countries like China, Germany etc.

In order to provide an in-depth discussion on the subject matter, it divided the topic into the introduction, research questions, objectives of the study, and literature review. Terminological explication were concepts such as entrepreneurship, development, and Nexus between political challenges and entrepreneurship, and the contribution of global entrepreneurship. This was immediately followed by research methods, discussion, and conclusion. The highlight of the paper discussion includes that entrepreneurship has shown in the diversification of individual’s multi-innovations in wealth creation. To a great extent, environmental factors have been a bottleneck on the actualization of entrepreneurship in the country leading to political challenges. Given also that researchers have established that there are relationships that exist between business activities and the environment in which it occurs (Abimbola & Agboola, 2011). It is on these facts that some recommendations are put forward.

Recommendations

It is, therefore, strongly recommended that:

1. The emergence of entrepreneurship both locally and globally should be embraced having seen its impacts in curbing political challenges in other countries especially in Africa.
2. Government established programmes such as: The National Directorate of Employment (NDE), Entrepreneurship Development Centres (EDC), Youth Enterprise with Innovation in Nigeria (YouWIN), Nigerian Agricultural Cooperative Rural Development Bank (NACRDB), Bank of Industry (BOI), Presidential Youth empowerment Scheme etc. for poverty alleviation should be strengthened by giving them adequate supports necessary to empower the identified entrepreneurs in the country and encourage the youths to make entrepreneurship a priority. This would undoubtedly eliminate political challenges in the country as poverty would be eliminated.
3. The various political parties should incorporate entrepreneurship in their manifestoes. This will show concern for reducing political challenges in the country.
4. More sensitizations on how entrepreneurship can reduce political struggle in the country should be carried out and inculcated in the minds of the youths. This would reduce abject poverty, deprivation, destitution, debasement, inferiority, cheap labour, a dearth of resources and existence at a level considered abnormal or less than comfortable.

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