

THE IMPACT OF ENTREPRENURSHIP ON ECONOMIC DEVELOPMENT IN NIGERIA (A CASE STUDY)

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Abstract

The Small and Medium Scale Enterprises (SMEs) dominate the real sector and play roles in the economic development of countries around the world. This study assessed the impact of entrepreneurship on economic development in Nigeria. The study was carried out at Ilorin, capital city of Kwara State, Nigeria. There were eleven privately owned sawmills factories located in various parts of the city. The study involved 60 entrepreneurs (Wood producers) who accepted to take part in the study. The questionnaire contained both closed and open-ended questions on demographic data as well as the work history, operational efficiency and their impact on Nation economy and employment generation in Nigeria. The Sawmill entrepreneurs were selected by a multistage cluster sampling, while macroeconomic variable data were collected from the Central Bank of Nigeria (CBN) and National Bureau Statistics (NBS) websites. Statistical analysis was done to test the stated hypotheses using the SPSS statistical package and statistical significance was set at p-value of < 0.05 . In test of hypothesis one the proportion of those that agree is 0.917 with standard error of 0.036 (55 out of 60) and from the table, the p-value is 0.000 (p-value < 0.05) we therefore reject the null hypothesis and conclude that Entrepreneurship is the bedrock of any economy and it drives the development of the economy. In the test of hypothesis two the proportion of those that agree is 0.867 with standard error of 0.044 (52 out of 60) and from the table, the p-value is 0.000 (p-value < 0.05) we therefore reject the null hypothesis and conclude that Entrepreneurship facilitated the achievement of equitable and sustainable industrial diversification and job creation. It is therefore recommended that entrepreneurship / SMEs should be encouraged through lower interest rate, tax holidays among others in Nigeria in order to reduce unemployment and increase Gross Domestic Products (GDP).

Keywords: Entrepreneurial roles; business development; Economic growth

1.0 INTRODUCTION

Entrepreneurship has to do with activities of individual persons. The concept of economic growth is relevant at levels of firms, regions, industries and nations, hence, linking entrepreneurship to economic growth means linking the individual level to aggregate levels. In order to consider this link we first pay attention to a definition of 'entrepreneurship' inspired by Hébert and Link (1989), Bull and Willard (1993) and Lumpkin and Dess (1996), the following definition of entrepreneurship can be proposed: Entrepreneurship is the manifest ability and willingness of individuals, on their own, in teams, within and outside existing organizations to perceive and create new economic opportunities (new products, new production methods, new organizational schemes and new product-market combinations), and to introduce their ideas in the market, in the face of uncertainty and other obstacles, by making decisions on location, form and the use of resources and institutions (Wennekers and Thurik, 1999). Essentially, entrepreneurship is a behavioural characteristic of persons. It should be noted that entrepreneurship is not an occupation and that entrepreneurs are not a well-defined occupational class of persons. Even obvious entrepreneurs may exhibit their entrepreneurship activities only during a certain phase of their career and/or concerning a certain part of their activities.

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. In these environments there is a tendency of 'mimicking smallness', for instance using business units, subsidiaries or joint ventures. Entrepreneurship is 'at the heart of national advantage' (Porter, 1990). Concerning the role of entrepreneurship in stimulating economic growth, many links have been discussed. It is of eminent importance for carrying out innovations and for enhancing rivalry. This directs our attention to two related phenomena of the 1980s and 1990s: the resurgence of small business and the revival of entrepreneurship. There is ample evidence that economic activity moved away from large firms to small firms in the 1970s and 1980s. The most impressive and also the most cited is the share of the 500 largest American firms, the so-called Fortune 500. Their employment share dropped from 20 percent in 1970 to 8.5 percent in 1996 (Carlsson, 1992 and 1999). Acs and Audretsch (1993) and Carlsson (1992) provide evidence concerning manufacturing industries in countries in varying stages of economic development. They advanced two explanations for the shift toward smallness. The *first* deals with fundamental changes in the world economy from the 1970s onwards. These changes relate to the intensification of global competition, the increase in the degree of uncertainty and the growth in market fragmentation. The *second* deals with changes in the character of technological progress, which shows that flexible automation has various effects resulting in a shift from large to smaller firms. Also Piore and Sable (1984) argue that the instability of markets in the 1970s resulted in the demise of mass production and promoted flexible specialization. This fundamental change in the path of technological development led to the occurrence of vast diseconomies of scale.

Brock and Evans (1989) argue that the shift away from large firms is not confined to manufacturing industries and provide four more reasons why this shift has occurred: the increase of labor supply leading to lower real wages and coinciding with an increasing level of education; changes in consumer tastes; relaxation of (entry) regulations and the fact that we are in a period of creative destruction. Loveman and Sengenberger (1991) stress the influence of two trends of industrial restructuring: that of decentralization and vertical disintegration and that of the formation of new business communities. These intermediate forms of market coordination flourish owing to declining costs of transaction. Furthermore, they emphasize the role of public and private policies promoting the small business sector. Audretsch and Thurik (2000) point at the necessary shift towards the knowledge based economy being the driving force behind the move from large to smaller businesses. In their view

globalization and technological advancements are the major determinants of this challenge of the Western countries.

The causes of this shift are one aspect. Its consequences cover a different area of research. Acs (1992) was among the first to discuss them. He distinguishes four consequences of the increased importance of small firms: entrepreneurship, routes of innovation, industry dynamics and job generation. His claims are that small firms play an important role in the economy serving as agents of change by their entrepreneurial activity, being the source of considerable innovative activity, stimulating industry evolution and creating an important share of the newly generated jobs. Acs and Audretsch (1990) and Audretsch (1995) are key references on the role of smallness in the process of innovative activities. See also Cohen and Klepper (1992) discussing the role of firm size and diversity for obtaining technological progress. The role of small firms in the job creation process remains controversial.

The re-evaluation of the role of small firms is related to a renewed attention to the role of entrepreneurship in firms. In case the size class distribution has an influence on growth, it must be differences in organization that matter. The major difference between the organization of a large firm and a small one is the role of ownership and management. In a small firm usually there is one person or a very small group of persons, which is in control and which shapes the firm and its future. The role of such a person is often described with the term 'entrepreneurship'. Also, attention has been given to the role of entrepreneurship in economic development, i.e., for the functioning of markets. Many economists and politicians now have an intuition that there is a positive impact of entrepreneurship on the growth of GDP and employment. Furthermore, many stress the role of the entrepreneur in implementing innovations. This renewed interest of politicians and economists coincides with a revival of business ownership rates in most Western economies.

Entrepreneurship is like riding bicycle, you keep moving up or fall down, it reminds us that people who succeed are the efficient few with right ambition, and courage and they have power to develop themselves. Entrepreneurship brings about desired change and accelerates economic development. The role of entrepreneur was thus a practical response to a need for an organ that will cater for the interest and welfare of people in business and to business development in Nigeria. The problems facing entrepreneur in Nigeria are: Wrong perception of entrepreneurs as gambler, cheater, destroyer of nature, distrust, government policies and regulations, high degree of risk and uncertainty and bureaucratic inertia, misfits, those who are only interested in making money with little effort, commitments, and initiative.

Based on the above problems, this paper thus attempted to:

1. describe the roles of entrepreneurs on economic development in Nigeria with special reference to privately owned sawmills factories located in various parts of Ilorin, capital city of Kwara State, Nigeria.
2. examine the impact of entrepreneurs on capital formation and job creations in Nigeria.

The relationship between unemployment and entrepreneurship has been shrouded with ambiguity. On the one hand, one strand in the literature has found that unemployment stimulates entrepreneurial activity, which has been termed as a "refugee effect". On the other hand, a very different strand in the literature has identified that higher levels of entrepreneurship reduce unemployment, or what has been termed as a "Schumpeter effect". Taken together, these two relation-entrepreneurship (Audretsch, Carree and Thurik, 2001), this process of creative accumulation is the main characteristic of the Schumpeter Mark II regime. The extent to which either of the two Schumpeterian technological regimes prevails in a certain period and industry varies. It may depend upon the nature of knowledge required to innovate, the opportunities or appropriateness, the degree of scale (dis)economies, the institutional environment, the importance of absorptive capacity, demand variety, etc. Industries in a Schumpeter Mark II regime are likely to develop a more concentrated market structure in contrast to industries in a Schumpeter Mark I regime where small firms will proliferate.

1.1 Nigeria Gross Domestic Product (GDP)

Nigeria is a middle income, mixed economy and emerging market, with expanding financial services, communication, technology and entertainment sectors. It is ranked 26th in the world in terms of GDP (nominal: 30th in 2013 before rebasing, 40th in 2005, 52nd in 2000), and is the largest economy in Africa (based on rebased figures announced in April 2014). It is also on track to become one of the 20 largest economies in the world by 2020. Its re-emergent, though currently underperforming, manufacturing sector is the third-largest on the continent, and produces a large proportion of goods and services for the West African region. Nigeria recently changed its economic analysis to account for rapidly-growing contributors to its GDP, such as telecommunications, banking, and its film industry. As a result of this statistical revision, Nigeria has added 89% to its GDP, making it the largest African economy. Previously hindered by years of mismanagement, economic reforms of the past decade have put Nigeria back on track towards achieving its full economic potential. Nigerian GDP at purchasing Power Parity (PPP) has almost tripled from \$170 billion in 2000 to \$451 billion in 2012, although estimates of the size of the informal sector (which is not included in official figures) put the actual numbers closer to \$630 billion. Correspondingly, the GDP per capita doubled from \$1400 per person in 2000 to an estimated \$2,800 per person in 2012 (again, with the inclusion of the informal sector, it is estimated that GDP per capita hovers around \$3,900 per person). (Population increased from 120 million in 2000 to 160 million in 2010). These figures are to be revised upwards by as much as 80% when metrics are recalculated subsequent to the rebasing of its economy in April 2014.

Although much has been made of its status as a major exporter of oil, Nigeria produces only about 2.7% of the world's supply (Saudi Arabia: 12.9%, Russia: 12.7%, USA:8.6%). Nigeria's anticipated revenue from petroleum is about \$52.2 billion (2012 GDP: \$451 billion). This accounts about 11% of official GDP figures (and drops to 8% when the informal economy is included in these calculations). Therefore, though the petroleum sector is important, it remains in fact a small part of the country's overall vibrant and diversified economy. The largely subsistence agricultural sector has not kept up with rapid population growth, and Nigeria, once a large net exporter of food, now imports a large quantity of its food products, though there is a resurgence in manufacturing and exporting of food products. In 2006, Nigeria successfully convinced the Paris Club to let it buy back the bulk of its debts owed to the Paris Club for a cash payment of roughly \$12 billion (USD). According to a Citigroup report published in February 2011, Nigeria will get the highest average GDP growth in the world between 2010 to 2050. Nigeria is one of two countries from Africa among 11 Global Growth Generators countries. Nigeria's economy is struggling to leverage the country's vast wealth in fossil fuels in order to displace the poverty that affects about 45% of its population. Economists refer to the coexistence of vast wealth in natural resources and extreme personal poverty in developing countries like Nigeria as the "resource curse". Although "resource curse" is more widely understood to mean an abundance of natural resources which fuels official corruption resulting in a violent competition for the resource by the citizens of the nation? Nigeria's exports of oil and natural gas—at a time of peak prices—have enabled the country to post merchandise trade and current account surpluses in recent years. Reportedly, 80% of Nigeria's energy revenues flow to the government, 16% covers operational costs, and the remaining 4% go to investors. However, the World Bank has estimated that as a result of corruption 80% of energy revenues benefit only 1% of the population. In 2005, Nigeria achieved a milestone agreement with the Paris Club of lending nations to eliminate all of its bilateral external debt. Under the agreement, the lenders will forgive most of the debt, and Nigeria will pay off the remainder with a portion of its energy revenues. Outside of the energy sector, Nigeria's economy is highly inefficient. Moreover, human capital is underdeveloped—Nigeria ranked 151 out of countries in the United Nations Development Index in 2004—and non-energy-related infrastructure is inadequate.

From 2003 to 2007, Nigeria attempted to implement an economic reform program called the National Economic Empowerment Development Strategy (NEEDS). The purpose of the NEEDS was to

raise the country's standard of living through a variety of reforms, including macroeconomic stability, deregulation, liberalization, privatization, transparency, and accountability. The NEEDS addressed basic deficiencies, such as the lack of freshwater for household use and irrigation, unreliable power supplies, decaying infrastructure, impediments to private enterprise, and corruption. The government hoped that the NEEDS would create 7 million new jobs, diversify the economy, boost non-energy exports, increase industrial capacity utilization, and improve agricultural productivity. A related initiative on the state level is the State Economic Empowerment Development Strategy (SEEDS). A longer-term economic development program is the United Nations (UN)-sponsored National Millennium Goals for Nigeria. Under the program, which covers the years from 2000 to 2015, Nigeria is committed to achieve a wide range of ambitious objectives involving poverty reduction, education, gender equality, health, the environment, and international development cooperation. In an update released in 2004, the UN found that Nigeria was making progress toward achieving several goals but was falling short on others. Specifically, Nigeria had advanced efforts to provide universal primary education, protect the environment, and develop a global development partnership. However, the country lagged behind on the goals of eliminating extreme poverty and hunger, reducing child and maternal mortality, and combating diseases such as human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS) and malaria.

A prerequisite for achieving many of these worthwhile objectives is curtailing endemic corruption, which stymies development and taints Nigeria's business environment. President Olusegun Obasanjo's campaign against corruption, which includes the arrest of officials accused of misdeeds and recovering stolen funds, has won praise from the World Bank. In September 2005, Nigeria, with the assistance of the World Bank, began to recover US\$458 million of illicit funds that had been deposited in Swiss banks by the late military dictator Sani Abacha, who ruled Nigeria from 1993 to 1998. However, while broad-based progress has been slow, these efforts have begun to become evident in international surveys of corruption. In fact, Nigeria's ranking has consistently improved since 2001 ranking 147 out of 180 countries in Transparency International's 2007 Corruption Perceptions Index.

2. METHODOLOGY

Entrepreneurship is characterized in this paper simply as the creation of a new enterprise or venture, whether in the formal or informal sector. Our focus is primarily on creation or new entry at which time firms are generally micro-sized and mostly operate in the informal sector, particularly in a developing economy like Nigeria. We have chosen to focus on small and medium scale wood manufacturing industry because the study of this industry in relation to economic development is scarce in the literature; thus, entrepreneurial activity in the context of our study indicates the creation of a manufacturing enterprise irrespective of whether this is registered in the formal sector or not. Our attention on the informal sector is premised on the important role it plays in national economies. For instance, 10% of official GDP in the United States accrues from the informal sector; and in Nigeria where the informal business sector is a major source of income and employment (Djankov, et. al., 2002), up to 70% of official GDP is accounted for by the informal sector (Klapper et al, 2008; Schneider and Enste, 2000).

2.1 The Study Area

Kwara State is one of the six states that make up Nigeria's North Central geopolitical zone along with the Federal Capital Territory (FCT). It shares an international boundary with the Republic of Benin to the west and interstate boundaries with Niger State to the north, Oyo State to the southwest, Osun and

Ekiti states to the southeast, and Kogi State to the east. Its capital is Ilorin. Kwara State was originally part of the Northern Region in the three-region structure of 1954. In 1967, with the creation of twelve federal states by General Yakubu Gowon's military government, Kwara became part of the West Central State. When the military government of General Murtala Muhammed created nineteen states out of the existing twelve in 1976, West Central State was renamed Kwara State. In both 1976 and 1991, parts of Kwara were carved out to form parts of Benue, Kogi and Niger states. The Main Cities and Towns in Kwara State are: Ilorin (capital city), Afon, Iponrin, Jebba, Kaiama, Lafiagi, Iloffa, Ilofa, Offa, Omu-Aran and Patigi. Kwara State covers an area of 34,467.5 square kilometres and lies at latitude 8°30' north and longitude 5°00' east. It has a population of 2,365,353 (2006 census figures) and accounts for 1.6% of the country's total population. The early settlers of Kwara State were the Yoruba people. The state name is the local word for the River Niger which flows through the state. Ilorin, the state capital, was founded around 1450. The main ethnic groups in Kwara State are the Nupe, Fulani, Bariba and Yoruba people. Seven languages are spoken in the state; of these, Ebira, Nupe and Yoruba are the major ones.

Kwara State is mostly woodland and forest savannah. Agriculture and animal husbandry are significant commercial activities in the state. The main crops grown are rice, corn, soya and cassava. Mineral resources found in the state include limestone, marble, feldspar, gypsum, kaolin, columbite/tantalite, gold, quartz, mica, talc and granite. The major industries in the state are flour milling, breweries, soap manufacturing and agro-allied industries. Kwara State is renowned for its handmade ceramic pottery, the aso-oke (traditional cloth) and leather industries. Other crafts include weaving and blacksmithing.

2.2 Material and Methods

The study was carried out at Ilorin, capital city of Kwara State, Nigeria. There were eleven privately owned sawmills factories located in various parts of the city. The study involved 60 entrepreneurs (Wood producers) who accepted to take part in the study. The questionnaire contained both closed and open-ended questions on demographic data as well as the work history, operational efficiency and their impact on Nation economy and employment generation in Nigeria. The Sawmill entrepreneurs were selected by a multistage cluster sampling. The first stage involved random selection of six sawmills. The second stage was proportionate allocation of the number of entrepreneurs to be selected from each of the selected sawmills (10 entrepreneurs per Sawmill). The third stage was random selection of entrepreneurs from the selected sawmills (making a total of 60 entrepreneurs in all). Inclusion criteria in the study were entrepreneurs who had engaged in wood handling for a preceding minimum period of one year either as producers or sellers of wood or machine operators. Proportion t-test was used to test the two hypotheses raised in this paper. Statistical significance was set at p-value of < 0.05.

2.3 Statement of Hypotheses

H01: Entrepreneurship does not drive the development of the economy

H02: Entrepreneurship does not facilitate the achievement of equitable and sustainable industrial diversification and job creation.

3 DATA PRESENTATION AND ANALYSIS

3.1 Data Presentation

SECTION A: Socio-Demographic Information of the Respondents

Table 1: Sex

Sex	Frequency	%	Valid %	Cumulative %
Valid Male	12	20	20	20
Female	48	80	80	100
Total	60	100.0	100.0	

Source: Field survey, 2014.

Table 1 shows that 12(20%) of the respondents are male while 48(80%) of them are female. This indicates that the trade is dominated by female gender.

Table 2: Age Bracket

Age	Frequency	%	Valid %	Cumulative %
20-30	4	6.6	7	7
31-40	6	10	10	17
41-50	50	83.3	83	100
Total	60	100	100	

Source: Field survey, 2014.

Table 2 shows the age brackets of the respondents. 4(6.6%) of the respondents are within the age range of 20-30 years, 6 (10%) of them are within age bracket 31-40, while the rest 50(50%) are within the age range of 41-50, this shows that the business is dominated by matured adults.

Table 3: Marital status

Marital status	Frequency	%	Valid %	Cumulative %
Married	44	70	70	70
Single	12	20	20	90
Divorced	6	10	10	100
Total	60	100	100	

Source: Field survey, 2014.

Table 3 indicates that 84(70%) of the respondents are married, 24(20%) are single while 12(10%) are divorced.

Table 4: Trade Experience

Years of Experience	Frequency	%	Valid %	Cumulative %
1-5yrs	7	11.6	12	12
6-10yrs	14	23.3	23	35
11-15yrs	20	33.3	33	67
16 yrs & above	19	31.6	33	100
Total	60	100	100	

Source: Field survey, 2014.

7(11.6%) of the respondents in table 4 have been in trade for between 1-5 years experience, another 14(23.3%) have been in the business between 6-10years, 20(33.3%) have 11-15 years experience, while 19(31.6%) have at least 16years experience. This depicts that most of the traders are well experienced on their business line.

SECTION B: Research Questions

Table 5: Entrepreneurship is the bedrock of any economy

	Frequency	%	Valid %	Cumulative %
Not at all	5	8.3	8	8
To a slight extent	4	6.6	7	15
To a moderate extent	11	18.3	18	33
To a small extent	13	21.6	22	55
To a great extent	12	20	20	75
To an extreme extent	15	25	25	100
Total	60	100	100	

Source: Field survey, 2014.

Table 5 revealed that 5(8.3%) of the respondent do not believe entrepreneurship is the bedrock of any economy, 4(6.6%) believe it is to a slight extent, 11(18.3%) to a moderate extent, 13(21.6%) to a small extent, 12(20%) to a great extent while 15(25%) believe it is to an extreme extent. This indicates that entrepreneurship is the bedrock of any economy.

Table 6: It drives the development of the economy.

	Frequency	%	Valid %	Cumulative %
Not at all	9	15	15	15
To a slight extent	3	5	5	20
To a moderate extent	6	10	10	30
To a small extent	13	21.6	22	52
To a great extent	14	23.3	23	75
To an extreme extent	15	25	25	100
Total	60	100	100	

Source: Field survey, 2014.

From the table 6 above 9(15%) of the respondents do not believe entrepreneurship drives the development of the economy; 3(5%) believe it does to a very slight extent, 6(10%) to a small extent, 13(21.6%) to a considerable extent, 14(23.3%) to a great extent, while 15(25%) believed to an extreme extent. This affirms that entrepreneurship really drives the development of the economy.

Table 7: Greater percentages of Nigerians are involved in entrepreneurship.

	Frequency	%	Valid %	Cumulative %
Not at all	12	20	20	20
To a slight extent	7	11.6	12	32
To a moderate extent	14	23.3	23	55
To a small extent	16	26.6	27	82
To a great extent	4	6.6	7	89
To an extreme extent	7	11.6	12	100
Total	60	100	100	

Source: Field survey, 2014.

Table 7 revealed that 12(20%) of the respondent do not believe greater percentage of Nigerians are involved in entrepreneurship, 7(11.6%) believes they are to a very slight extent, 14(23.3%) to a small extent, 16(26.6%) to a considerable extent, 4(6.6%) to a great extent while 7(11.6%) to an extreme extent. This implies that greater numbers of Nigerians are actually involved in entrepreneurship.

Table 8: Entrepreneurship improves living standards of entrepreneurs.

	Frequency	%	Valid %	Cumulative %
Not at all	13	21.6	22	22
To a slight extent	12	20	20	42
To a moderate extent	4	6.6	7	49
To a considerable extent	12	20	20	69
To a great extent	7	11.6	11	80
To an extreme extent	12	20	20	100
Total	60	100	100	

Source: Field survey, 2014

Table 8 shows that 13(21.6%) do not believe entrepreneurship improves the living standard of entrepreneurs, 12(20%) believe it does to a slight extent, 4(6.6%) to a moderate extent, 12(20%) to a considerate extent, 7(11.6%) to a great extent while 12(20%) believes it is an extreme extent. This shows that entrepreneurship really improve the standard of living of people involved in it.

Table 9: Entrepreneurship facilitates substantial local capital formation.

	Frequency	%	Valid %	Cumulative %
Not at all	6	10	10	10
To a slight extent	18	30	30	40
To a moderate extent	15	25	25	65
To a considerable extent	6	10	10	75
To a great extent	10	16.6	17	92
To an extreme extent	5	8.3	8	100
Total	60	100	100	

Source: Field survey, 2014.

From table 9, 6(10%) of the respondents believes entrepreneurship facilitates substantial local capital formation, 18(30%) opined it does to a very slight extent, 15(25%) to a moderate extent, 6(10%) to a considerable extent, 10(16.6%) to a great extent, while 5(8.3%) said to an extreme extent. This shows that 54 (90%) of the respondents believes that entrepreneurship actually facilitated local capital formation in Nigeria.

Table 10: Entrepreneurship facilitated the achievement of equitable and sustainable industrial diversification and job creation.

	Frequency	%	Valid %	Cumulative %
Not at all	8	13.3	13	13
To a slight extent	12	20	20	33
To a moderate extent	10	16.6	17	50
To a considerable extent	7	11.6	12	62
To a great extent	12	20	20	82
To an extreme extent	11	18.3	18	100
Total	60	100	100	

Source: Field survey, 2014.

Table 10 shows that 8(13.3%) of the respondents does not believe entrepreneurship facilitated the achievement of equitable and sustainable industrial diversification and job creation, 12(20%) opined it did to a very slight extent, 10(16.6%) to a moderate extent, 7(11.6%) to a considerable extent, 12(20%) to a great extent, while 11 (18.3%) said to an extreme extent. It implies that entrepreneurship actually facilitated the achievement of equitable and sustainable industrial diversification and job creation.

3.2 Data Analysis

Proportion t-test was used to test the two hypotheses raised in this paper. The frequency tables in Tables 5 and 6 were used for hypothesis one while Table 10 was used for hypothesis two. In Table 11, the responses were re-grouped into two (Don't agree and Agree). Only 5 respondents did not agree while the remaining 55 agree. The hypothesis is therefore "there is no significant difference between the proportion of those that agree and those that don't agree to the question in that Table 5. The proportion of those that agree is 0.917 with standard error of 0.036 (55 out of 60) and from the table, the p-value is 0.000 (p-value < 0.05) we therefore reject the null hypothesis and conclude that there is significant difference between the proportion of those that don't agree and those that agree and since proportion of those that agree is significantly higher, it implies that based on the opinion of the respondents, Entrepreneurship is the bedrock of any economy and it drives the development of the economy.

Table 11: Entrepreneurship is the bedrock of any economy

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One-sample test of proportion                                x: Number of obs = 60
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Variable |          Mean   Std. Err.              [95% Conf. Interval]
-----+-----
      x |   .9166667   .0356812             .8467328   .9866005
-----+-----

p = proportion(x)                                         z =   6.4550
Ho: p = 0.5

Ha: p ≠ 0.5
Pr(|Z| > |z|) = 0.0000
    
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Also in Table 6, the responses were re-grouped into two (Don't agree and Agree). Only 9 respondents did not agree while the remaining 51 agree. The hypothesis is therefore "there is no significant difference between the proportion of those that agree and those that do not agree to the question in that Table 6". The proportion of those that agree is 0.850 with standard error of 0.046 (51 out of 60) and from the table, the p-value is 0.000 (p-value < 0.05) we therefore reject the null hypothesis and conclude that there is significant difference between the proportion of those that don't agree and those that agree and since proportion of those that agree is significantly higher, it implies that base on the opinion of the respondents, Entrepreneurship drives the development of the economy.

Table 11: Entrepreneurship drives the development of the economy

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One-sample test of proportion                                x: Number of obs = 60
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Variable |          Mean   Std. Err.              [95% Conf. Interval]
-----+-----
      x |   .85   .0460977             .7596501   .9403499
-----+-----

p = proportion(x)                                         z =   5.4222
Ho: p = 0.5

Ha: p ≠ 0.5
Pr(|Z| > |z|) = 0.0000
    
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Table 10 responses were re-grouped into two (Don't agree and Agree). Only 8 respondents didn't agree while the remaining 52 agree. The hypothesis is therefore "there is no significant difference between the proportion of those that agree and those that don't agree to the question in that Table 10. The proportion of those that agree is 0.867 with standard error of 0.044 (52 out of 60) and from the table, the p-value is 0.000 (p-value < 0.05) we therefore reject the null hypothesis and conclude that there is significant difference between the proportion of those that don't agree and those that agree and since proportion of those that agree is significantly higher, it implies that base on the opinion of the respondents, Entrepreneurship facilitated the achievement of equitable and sustainable industrial diversification and job creation.

Table 12: Entrepreneurship facilitated the achievement of equitable and sustainable industrial diversification and job creation

One-sample test of proportion		x: Number of obs = 60	
Variable	Mean	Std. Err.	[95% Conf. Interval]
x	.8666667	.0438854	.7806529 .9526804
p = proportion(x)		z = 5.6804	
Ho: p = 0.5			
Ha: p ≠ 0.5			
Pr(Z > z) = 0.0000			

4. SUMMARY AND CONCLUSION

This research is focused on the impact of entrepreneurship on economic development of Nigeria. The study investigates the roles of entrepreneurial activities on the economy. The result of Hypothesis one revealed that entrepreneurship is the bedrock of any economy and it drives the development of the economy. In the same, the result of hypothesis two shows that entrepreneurship facilitated the achievement of equitable and sustainable industrial diversification and job creation in Nigeria. It is therefore concluded that entrepreneurship has facilitated the establishment of many small and medium scale and medium scale enterprises in Nigeria, thereby creating jobs for the jobless, Nigerians who would have further compounded the current security challenges being faced in the nation. It is thus recommended that Nigeria Government should further encourage the activities of the Small and Medium Scale Enterprises in that Nation by making available to them financial and other assistances that would make these enterprises to continue to perform even better than before.

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