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Prospects of Youths' Entrepreneurship in Nigeria

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ABSTRACT

Youth entrepreneurial activities have been identified as a tool for attaining economic development. Many developing countries have attributed the development of their economies to the participation of youths in entrepreneurial activities. Youth entrepreneurial activities have been said to be a constant source of income and boost for the nation's economy. This paper, therefore, aims to identify some challenges that hinder the youths from engaging properly in entrepreneurship whilst also understanding the prospects within this context. The major challenge identified in the paper includes accessibility to proper infrastructure and opportunities while the key to untapping its prospects lie in bringing opportunities to the forefront and making entrepreneurship part of every students' educational experience. Also, some recommendations were provided which could enhance better functioning as prioritization needs to be applied by the government and the youths themselves in all aspects is critical role in promoting youth entrepreneurial activities.

Keywords: Youth Entrepreneurship; Opportunities; Necessity Business; Economic Crisis; Vocational Entrepreneurship.

INTRODUCTION

Unemployment plagues young people all over the world and this has been a global scourge over the years. However, it occurs mostly in developing countries of the world (Chidebere, Iloanya, Udunze, 2014) . According to the National Bureau of Statistics of Nigeria, Nigeria's unemployment rate has risen to a disappointing 13.9% in the third quarter of 2016. Youth unemployment rose from 23.9% in 2011 to 25%. There has been a constant need for entrepreneurship among youths, especially in Nigeria. To reduce the failure and hindrances of youth enterprises, certain key challenges have to be addressed in order to unveil the prospects among our youths

in Entrepreneurship. The focus among this group of people has been drawn especially as a result of the high unemployment rate found among youths today. Youths spend their youthful years and vigor going in search of non-existent jobs (ILO, 2012). The awakening has been seen to be positive in curbing this predicament. Moreover, youths demand self-employment but feel that a wide range of constraints makes it difficult to realize their entrepreneurial aspiration. However, even with all the challenges, the importance of entrepreneurship cannot be overlooked as government cannot give jobs to everyone.

The prospect and vision for youth in entrepreneurship also need to be identified in order to look on the brighter side as this is not an entirely sad case. A number of support structures aimed to develop entrepreneurship among young people in the Small and Micro Enterprise (SME) sector were introduced, and they benefited in such intervention. This is the background against which this paper investigates challenges and prospects of youth entrepreneurship in Nigeria, in order to investigate the obstacles that young people encounter when setting up their businesses; the current obstacles that prevent the introduction or expansion of their entrepreneurial ventures; as well as the prospects for youth entrepreneurship development in the country.

YOUTH AND ENTREPRENEURSHIP IN NIGERIA- AN OVERVIEW

Fundamentally, Youth has been defined as the period between childhood and adult age or young people considered as a group. However, age is the easiest way to define this group, particularly in relation to education and employment. In line with international practice, Youth is defined as a person between the ages of 18 and 24 years. The definition of 'youth' as (Kanyenze et al, 1999; Chiguanta et al, 2005) observe, appears to depend much on which dimension of 'youth' takes precedence. It can be demographic (age); cultural (notions of adulthood); biological (attainment of puberty); social (attainment of 'maturity' or marriage-ability); or economic (ability to sustain oneself). The UN considers individuals under the age group of 15 – 24 as youths. In Uganda, for example, youth is from 12 to 30 years, while in Nigeria, it is between 18 and 35 years (ILO publication, 2005). (Imaralu, 2016) states that this definition is arguably not universal and is fast changing. In Nigeria, young people are still waiting to take the lead of growth and development, have a decent job, a place to live or their own family, and a say in policies that will determine their future. But the power of youth is that they are neither dependent children nor fully independent adults.

Youth constitute not only a formidable demographic force but also make up the next generation of parents, workers and leaders (Ruhl,2009) Youths engaging in productive ventures serve as a distraction from indulging in violent and criminal activities. No country with a view to any form of future prosperity would allow its youths to such wastage. Economic crisis crippling the job market, young people are first to be laid off. This has led to thousands of laid-off workers returning to rural areas where the chances of getting alternative work are dire. When there is an economic crisis, young people are most likely to be the first to bear the brunt of layoffs by employers. (Fadeyi et.al, 2015). Compared to adults, the youth of today are almost three times as likely to be unemployed and globally one in five working youth continue to live in extreme poverty on 1 US\$ per day(ILO,2008) Therefore the narrowing down of entrepreneurial activities to the youths who are the engine of any society is very pertinent at this point.

YOUTH ENTREPRENEURSHIP

Youth Entrepreneurship has been defined as young people who, in using their unique identity and agency, engage in the identification, exploitation and evaluation of value-adding opportunities through the concomitant assessment and exploitation of scarce and underutilized resources in (Edema et al., 2017) order to achieve entrepreneurial success (Venter, 2014). Young people, if given access to the right resources, can effectively craft their own opportunities for advancement and growth in labor markets while simultaneously addressing development needs. With the formal sector in many countries experiencing extremely slow growth, it is unlikely that this sector will be able to offer work opportunities to the increasing number of young people looking for jobs (Schoof 2006; Sijuola 2015). It is only pertinent that the youths turn to entrepreneurship with a conscious effort to solve a problem and better their lives and see it as the final option for employment.

James (2012) argues that during an era of high unemployment in a country, fostering youth entrepreneurship could provide a vital antidote. Indeed, numerous countries in Africa have also acknowledged entrepreneurship as an important mechanism for addressing the unemployment agenda, particularly among youths. (Nwigwe,2010) also states that entrepreneurship education is not only a means of fostering youth entrepreneurship and self-employment but equipping young people with the attitudes (e.g. more personal responsibility) and skills (e.g. flexibility and creativity), necessary to cope with the uncertain employment paths of today's societies.

TYPES OF YOUTH ENTREPRENEURS

Young entrepreneurs can be divided into two broad groups: those who become entrepreneurs by necessity because they are unable to find other forms of formal employment or continue their education, and what can be called "vocational entrepreneurs" who see a business opportunity. The second groups of youth entrepreneurs are opportunity-driven entrepreneurs who despite being able to obtain employment choose instead to start their own business. According to the Global Entrepreneurship Monitor, about 5percent of the young adult population (18 to 24years) and 40 percent of the entrepreneurs interviewed worldwide in 2001 was driven by opportunity. Furthermore, the World Bank Group Enterprises Survey of 2009, while comparing opportunity- and necessity-driven firms in Africa, also observes that the motivations behind starting a business influence the performance of informal firms. And that opportunity firms are more efficient and larger; more likely to use external finance and suffer less from infrastructural bottlenecks than their necessity-driven counterpart (Amin, 2010). The implication of all these is that while many firms were established to take advantage of business opportunities, some more were established because their owners could not find satisfactory jobs.

Youths who are entrepreneurs out of vocation or because they have taken advantage of a business opportunity are a relatively small group. They tend to have the ability to identify good business opportunities and have better skills to start up a new firm and make it grow over time. Ernst and Young (2009) in a survey found that the majority of entrepreneurs said they saw economic slowdown as the perfect time to pursue new market opportunities. In addition, economists, academics, and industry leaders agree that recessions tend to favor the naturally innovative temperament of entrepreneurs. Chigunta (2003) also categorized youth entrepreneurs into three phases: 'pre-entrepreneurs' in the age group 15-19 years;

'budding entrepreneurs in the age group 20-24 years; and 'emergent entrepreneurs' in the age group 25-29 years. Each of these categories has its respective key features and characteristics

IMPORTANCE OF YOUTH ENTREPRENEURSHIP

The importance of youth entrepreneurship cannot be overemphasized as it has been seen to be a viable option to reduce unemployment among our Youths. GEM report (2012) highlights several additional positive advantages to stimulating youth entrepreneurship.

- Youth entrepreneurship is an option to create employment for the youth.
- Youth entrepreneurs are more likely to hire fellow youths.
 - They are particularly responsive to new economic opportunities and trends.
- They seem to be active in high-growth sectors.
- Youth having entrepreneurial skills can be better employees.
- They are more innovative and often create new forms of independent work.
- Those young people, who have self-employed, would have higher life satisfaction.
- Entrepreneurial experience and/or education help youth develop new skills that can be applied to other challenges in life. Non-cognitive skills, such as opportunity recognition, innovation, critical thinking, resilience, decision making, teamwork, and leadership will benefit all youth whether or not they intend to become or continue as entrepreneurs.

CHALLENGES FACING YOUTH ENTREPRENEURS IN NIGERIA

There are various challenges that youth in entrepreneurship face in Nigeria either in the process of start-up or running or maintaining a business. These include the fact that entrepreneurship activity in Nigeria is primarily based on necessity rather than economic importance. Gordon(2017) argues that criticism and self-doubt, as well as lack of brand image, contribute in one way or another to make it tougher for a young entrepreneur than an older counterpart.

Fadeyi(2015) asserts that the greatest or worst problem confronting young entrepreneurs in Nigeria is managerial capacity. Again, youths have been said to be unemployed not because there are no opportunities, but because they cannot see the opportunities or when they see them they cannot perceive them(Edema et al, 2017). In Nigeria, youths hardly build on business feasibility foundations; business roadmaps are not well built whereas building a business is like building a house and wouldn't work without knowing the lifeline and perfect plans (Edema et al, 2018). A good business should have a milestone of life plan and support. It should not be the other way round, because what we do here is to lift our business blindly, rather than the business to be for us. (Eme and Okeke, 2014). There are other factors likely to inhibit entrepreneurship which is access to finance, administrative and regulatory burden, lack of interest in entrepreneurship, Business assistance, and support, Inadequate entrepreneurial skills, access to market, access to former education, access to appropriate technology, social-cultural constraints among others.

However, in another recent study, the obstacles faced by youths in entrepreneurship have been said to include:

1. Lack of business resources is another hindering factor for their business growth. Most of the youth lack resources such as modern technologies, machinery, and equipment, vehicle, land, and building, raw materials, skilled

employees, location, amenities available at that location, securities, and so on; lack of access to them had hindered the growth in their business. On the contrary, however, without business capital, good business resources will be difficult to obtain. Dollinger (2005) highlighted six types of resources namely, physical, reputational, organizational, financial, intellectual/human, and technological to remain competitive in the market for entrepreneurial ventures. Access to some of these resources would be an assistance for the growth and sustainability of youth entrepreneurial activities.

2. Rigid business Regulation/Regulatory red-tape- Strict business regulation, issues such as ambiguity in income tax exemption, VAT, unclear tax incentives, high cost of tendering were also among obstacles against the growth and success of their businesses. Most Youths are concerned about the slow business registration process, ambiguity in the business registration process, and high-cost involvement in the business registration process due to the involvement of agents, who claims to facilitate the registration process for aspirant entrepreneurs. These suggest that problematic business regulations continue as the business grows further. Most of the youth also encounter bureaucratic burdens mainly associated with excessive red tape; bureaucratic delays; middleman commission; corruption; and unpredictable, unclear, inconsistent, and poorly implemented government policies in the course of operating their businesses.
3. Getting the right employees is another obstacle they encountered in the course of operating their businesses. Few young entrepreneurs admitted that getting talented and experienced employees was a real challenge. This is one of the impediments encountered by several entrepreneurial ventures. Longenecker, et al. (2011) assert that a small company's employees can easily make or break the business. Thus, without appropriate human resources, a business venture will not have products or services to deliver in the market.
4. Business networks for the development and expansion of business ventures for these young entrepreneurs are one of the obstacles in setting up their businesses. The business networks for these young entrepreneurs tend to be based on face-to-face communication among dealers and customers who promote their products by convincing others to try them. For support, young entrepreneurs emphasize the need for a network where they could learn about new ideas, as well as share problems and generate ideas with others. In these modern days, the know-who seems to work better than know-how, thus if these entrepreneurs do not have access to the right business networking who can increase value to development and sustenance of their businesses, then the probability of having succeeded in their business may be limited (Gwija, Eresia-Eke, et al. 2014) (Edema et al., 2017). Thus inexperience management during the initial stage of business operation can have dire consequences in terms of sustenance and growth of the business. Gompers, Kovner, et al. (2006) revealed in their research paper that the success rate of entrepreneurs in their later ventures is higher than the success rate of first-time entrepreneurs. Similarly, Van Rensburg (2010) compared entrepreneurship with the gulf. The only way you can truly master the game is by getting on the course and playing over and over again.

PROSPECTS FOR YOUTHS IN ENTREPRENEURSHIP

Prospects in this context are characterized by the perception or vision, intention, or positive gesture for development for youth entrepreneurship in Nigeria. Despite the challenges faced by youths in entrepreneurship, it is not a totally sorry case as our youths still look forward to owning a business and engaging in entrepreneurial activities.

First, attitudes and motives of young people to go for foreign employees must be diverted into an entrepreneurial concept. This entrepreneurial concept and culture among youth could be improved by organizing an entrepreneurship development program for present and potential entrepreneurs. Nigeria has a tremendous opportunity in terms of entrepreneurial resources that have been untapped so far such as agriculture, tourism, pharmaceutical, herbs, and its product and Information technology. Thus, the country needs more honest and innovative entrepreneurs to propel the economy to achieve desired levels of prosperity. Entrepreneurial zeal among young people seems to be increasing as they seem to be more enthusiastic about entrepreneurship. It has also been found that youths now attend entrepreneurship workshops regularly, business management training, and attend meetings regularly. This helps the youth with the type of skills that enable them successfully to run an enterprise and paints a brighter future for youths in entrepreneurship. For entrepreneurship education to be effective, it needs to be an integral part of a student's experience and not an add-on and should focus on inculcating an entrepreneurial mindset and promoting self-employment as a viable career option, i.e. it should encourage innovation and ensure that students develop confidence, flexibility, enterprise awareness, resilience and risk-orientation from the outset. (UNCTAD, 2015)

Youth entrepreneurs also need to be encouraged to take part in development projects in their communities such as urban renewal, urban river sanitation, building parks, and shopping complex, and so on. As the number of youth entrepreneurs grows, their visibility in terms of leadership of the business sector and contribution towards sustained economic development will gradually evolve. This will also serve as a form of enlightenment and reawakening for Nigerian Youths. These entrepreneurs are going to be a vital force in bringing about the much-needed progress and change, especially in economic frontiers, in the country. This indicates a growing interest in youth entrepreneurship, the issue of sustaining and promoting their interest should be the attention of all stakeholders.

Thus, making people aware of their own capacities and resources can help increase the options available to them. All these efforts could contribute towards increasing youth income through skills development and promotion of youth entrepreneurship that ultimately contribute towards increasing the level of youth participation in the mainstream economy. It also has massive potentials for boosting of any economy and generating steady revenue for the creation of social amenities to the Nigerian economy.

CONCLUSION

Despite all the challenges faced by youths in running entrepreneurial ventures, it has to be surmounted to benefit from the prospects it offers to any nation. Aside from creating substantial employment opportunities for youths in Nigeria, it has the potential of generating possible solutions to several problems that abound in the country. (Dallago and Blokker 2012) opine that creating a favorable business environment to youth entrepreneurship development would convince more youth to

exploit business opportunities in the market'. Once the youths take their adequate position in entrepreneurship, and with good support structures in place then they will be able to animate the system for the betterment of their lives and for the good of the nation.

RECOMMENDATIONS

Young entrepreneurs should be provided with specialized support institutions to help them to develop networks, gain access to markets and solve business problems. Fundamentally, policies are centered on investing in sectors that can create the necessary employment opportunities that can keep the youth productively employed.

1. Universities should be more proactive in spotting opportunities as entrepreneurship should not be taught in isolation but should be directly related to the course offered with students doing more collaborative learning. Governments and international donors could play an important role as catalysts and promoters of institutional initiatives from different sectors and by fostering changes in the educational system. This would contribute to the development of human and institutional capital and entrepreneurial capabilities among young people. Creation of an enabling business environment and a strong institutional setting with the promotion of programs with innovative methodologies with support concentrated at all levels that will lead to the emergence of high growth (new/budding) entrepreneurs. Business incubators and mentorship should be the highlight of any youth entrepreneurial program which will help for the enrichment of the curricular. Youth entrepreneurs could also share their past experiences with these school learners and university graduates to develop entrepreneurship mindsets. It may help to build networks amongst learners, support structures and existing entrepreneurs Private organizations should welcome learners who need exposure and experience in their businesses by providing services such as internships, in-service training, leadership development, and another voluntary participation for skill enhancement and experience and interaction with more experienced entrepreneurs (could be both youths and adults) within in the same business industry and other entrepreneurship support structures for business know-how is strongly recommended.

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