Journal of Sustainable Development Studies
ISSN 2201-4268
Volume 3, Number 1, 2013, 80-100

Promoting Wealth and Job Creation in Nigeria – Review of the Role of Entrepreneurship

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Abstract
Despite Nigeria's abundant natural resources, demographic figures according to the recent HDI ranking put the country as very poor because of underdeveloped human and economic resources. In order to create favourable investment climate and wealth generating enterprises necessary for economic development, there is the urgent need to develop skilled entrepreneurial workforce in areas where the country has competitive and comparative advantage. Poor funding, inadequate infrastructure, corruption, policy discontinuity, among others, receive the blame for the sorry state of the economy. We recommend good management, need-based adequate funding, policy continuity, MSMEs friendly policies, and promotion of entrepreneurship and professionalism among others, as potential solutions.

Keywords: Job creation, Entrepreneurship, Nigeria, Investment, Economic Development, Human resources.

1.0 Introduction

"Nigeria needs to create almost **25 million jobs over the next 10 years if it is to offer work to new entrants & halve current unemployment…….and there is huge prospects in MSME"** – UNIDO-Nigeria, 2012 – *Turning Our Quantity Advantage into a Comparative Advantage,* National Industrial Skill Development Programme, Abuja.

Nigeria, the most populous country in Africa, is naturally endowed with millions of acres of arable land, 38.5 billion barrels of state oil reserves, vast gas reserves, a variety of unexploited minerals, and a wealth of human capital by virtue of its estimated population of over 160 million. It is the world's eighth largest exporter of oil, and Africa's second largest economy, after South Africa. Nigeria accounts for 15 per cent of Africa's population, contributes 11 per cent of Africa's total output and 16 per cent of its foreign reserves while it accounts for half of the population and more than two-thirds of the output of the West Africa sub-region. However Nigeria, still falls far short of the economic and social progress required to impact the well being of the average Nigerian given that over half of Nigeria's population live on less than one dollar a day [UNDP, Nigeria, 2009].Studies by UNIDO-Nigeria, 2012 show that Micro,Small and Medium Enterprises (MSMEs) has the propensity to drive the Nigerian Economy, and data reveal that there are currently over17 million MSMEsemploying over 31 million Nigerians. MSMEs account for over 80% of enterprises that employabout 75 % of the Nigeria's total workforce, and therefore formulating and effectively implementing MSMEs friendly policies represents innovative ways of building the capacity to engage in entrepreneurial activities and creating job opportunities thus, playing a central and invaluable role in helping Nigeria realize its quantity advantage.

In separate reports, the National Institute for Social Research (NISER) and the World Bank revealed that over 55 per cent of Nigerians of working age are unemployed, representing one in five adults. The World Bank report also indicated that only one in every ten graduates get a job while a recent report by the National Directorate of Employment (NDE) indicated that over 200,000 Nigerian graduates who completed the National Youth Service Corps (NYSC) in the last five years, remained unemployed.

Given the challenges that bedevil Nigeria, this paper advocates for the inclusion of entrepreneurship at the forefront of its economic development agenda. Entrepreneurship as a cornerstone of development strategies for emerging economies has garnered support among a broad spectrum of scholars, policymakers and governments. Many emerging economies as diverse as El Salvador, Israel, Latvia, Uganda, Vietnam, are making significant strides in realizing their entrepreneurship potential in addition to more well known examples such as China and India [Financial Standard, 2009].

2.0 Literature Review

2.1 Entrepreneurship Defined

As formulated by Richard Cantillon in 1755, entrepreneurs "commit themselves to certain payments in expectation of uncertain receipts, and are therefore essentially risk-bearing directorsof production and trade, competition tending to reduce their remuneration to the normal value oftheir services" [Schumpeter, 1939]. Jean-Baptiste Say added the combination of the factors ofproduction (Say, 1836) and Schumpeter qualified this as a 'new combination' [1934: 66, 74]. It iscurrently used to identify individuals who innovate, create new businesses, make decisions, initiate and implement changes or take risk (Schumpeter, 1934: 66).

The definition and measurement of entrepreneurship is a subject of much discussion, as are the characteristics associated with entrepreneurs [Bull and Willard, 1993; Goetz, Partridge, Deller, and Fleming, (2010)]. According to Goetz, et al. (2010, p. 31), "conventional data sets only allow an approximation, forcing analysts to use indirect measures thought to be associated with entrepreneurship." While not ideal, the self-employment and employer establishment birth rates are widely used metrics because data are readily available. Neither measure adequately captures the presence or absence of entrepreneurial characteristics in the firm owner such as innovation, creativity, and opportunity seeking behaviour. However, these measures do reflect two important types of entrepreneurs—those who pursue self-employment—as a means of earning an income and/or pursuing an opportunity—and those who start a business that employs others, often equated with growth entrepreneurs. Since both types of entrepreneurs play a role in the economy, these two measures permit an examination of regional differences in entrepreneurship rates and provide insights into the connection between a country's wealth and entrepreneurship.

Data show important differences in the type of entrepreneurship in the society. The self-employment rate is highest in nonmetropolitan regions. This variation could reflect the realities of industry mix—barriers to firm entry may be greater in higher tech or more capital intensive companies located in urban places. It may also reflect necessity entrepreneurship, or individuals starting businesses because they have no other economic alternatives. These enterprises may be marginal in terms of opportunities for future growth but provide important income supplementation. This assumption is supported by the fact that the self-employed in metropolitan regions generate higher incomes and create more value-added, in the aggregate [Low, Henderson, and Weiler, 2005)]. Conversely, the employer establishment birth rate is highest in metro regions and lowest in the most rural regions. An important research question would be to test whether opportunities, resources and/or motivation to move from self-employment to employing others may be more limited in rural areas.

2.3 Industry Contribution to Employment and Wealth Creation

Despite strong recent growth, Nigeria's industry contribution to GDP has actually declined from a high in the 70s. The industrial sector has exhibited strong growth over the past decade; however, its contribution remains stagnant at 4% of GDP. Low contribution due to multiple factors including small base, poor infrastructure and lack of investment in the sector receive much of the blame.

Contribution of industry to employment is even lower than contribution to GDP!

Figure 1.GDP by Sector (100% = 157million USD)

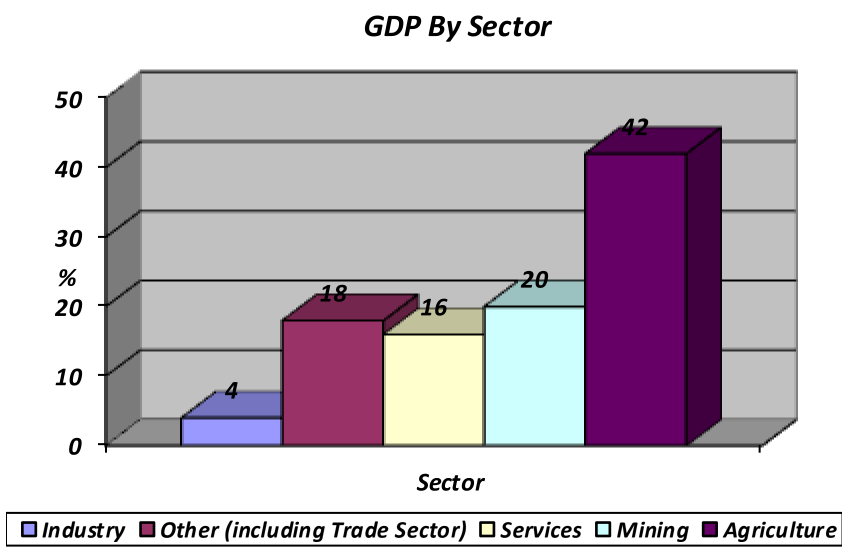
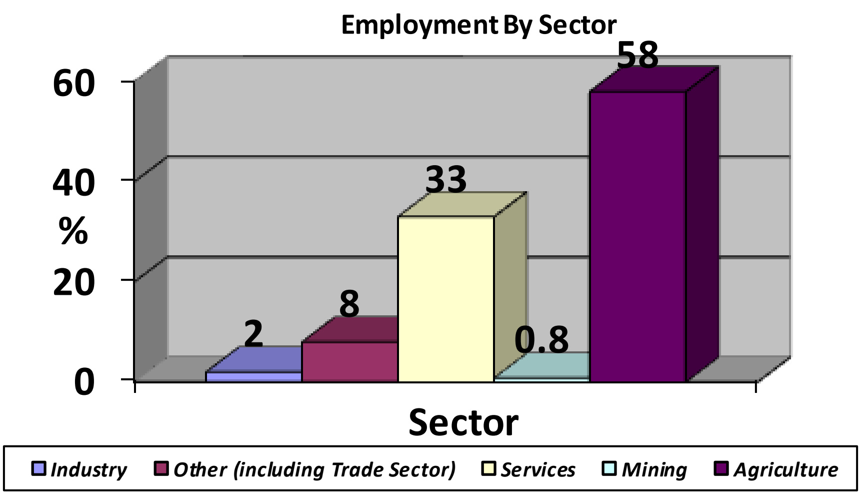


Figure 2.Employment by Sector (100% = 54million people)



Source: Nigerian National Bureau of Statistics; Central Bank of Nigeria; McKinsey analysis, 2012

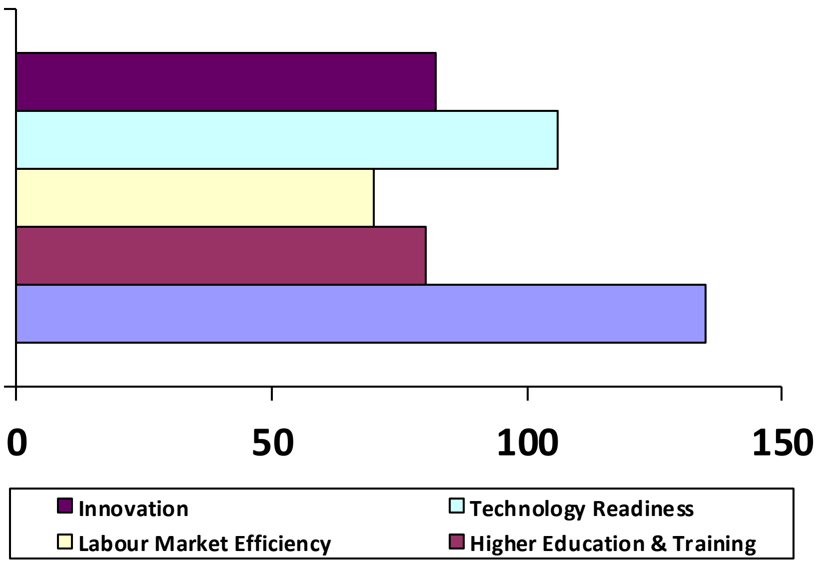
Nigeria performs poorly on several global business indicators due to a number of critical challenges.These challenges among others may be surmised as:

- Underdeveloped infrastructure such as electricity and roads

- Insufficient skilled labour to support desired productivity and growth
- Limited availability of raw materials and other inputs to industrial production
- Limited access to funding
- Lack of robust and consistent government policies including tax subsidies, import substitution and local content initiatives.

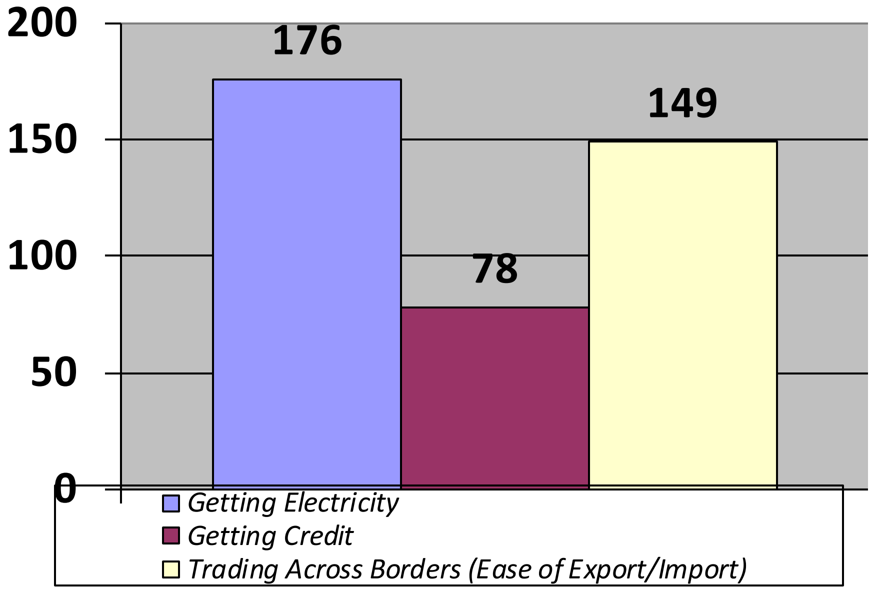
Some key global indicators cited for this study include: Global Competiveness Indicators, Corruption Perception Index, Doing Business Ranking, and Human Development Index.

Figure3 Global Competiveness Indicators: Global Rank (1 = best; 183 = worst);Overall= 127



1. 2011-2012 World Economic Forum Global Competitiveness Report

Figure 4 Doing Business Indicators: Global Rank (1 = best; 183 = worst); Overall= 133



2. 2012 World Bank Doing Business report

Source: World Economic Forum, World Bank, McKinsey analysis, 2012

Fig.5 Human Development Index Ranking

Country	
Norway	1
Australia	2
Iceland	3
Singapore	23
Israel	27
Malaysia	66
Brazil	75
Tunisia	98
Gabon	103
Algeria	104
Egypt	123

South Africa	129
Cameroun	153
Nigeria	158
Malawi	160
Liberia	169
Sierra Leone	180
Afghanistan	181
Niger	182

Sources: World Bank/IFC Human Development Index Rankings 2009

The enormity of the challenge is corroborated by Nigeria"s low score on the Human Development Index (HDI), an index that measures the average achievement of a country in terms of the welfare and quality of life of its people. As shown in Figure 5, Nigeria ranks behind numerous countries with similar sized economies and with a rank similar to smaller economies like Liberia and Malawi. At 10 percent of live births, Poor access to infrastructure also affects a large percentage of the population. Only about one in every three households in rural areas has electricity and even when it is available, the supply of electricity is often unreliable. Forty per cent of electricity is generated privately and at a cost that is three times higher than electricity supplied from the grid [Ramachandran et al, 2008]. Fostering the private sector and entrepreneurship depends on a supportive business environment, yet Nigeria's business climate lags behind many countries in comparable positions.
UNESCO UIS 2007, Data.

Figure 6

Doing Business Rankings – the importance of credit

	Nigeria	South Africa	Malaysia	Kenya	Brazil	Israel	Latvia	Singapore
Ease of Doing Business Rank	125	34	23	95	129	29	27	1
Starting a Business	108	67	88	124	126	34	51	4
Employing workers	37	102	61	78	138	90	128	1
Registering property	178	90	86	125	120	147	58	16
Getting credit	87	2	1	4	87	4	4	4
Protecting investors	57	10	4	93	73	5	57	2
Enforcing contracts	94	85	59	126	100	99	15	13
Closing a business	94	76	57	79	131	41	88	2

Sources: World Bank/IFC Doing Business Rankings 2009

Similarly, in a 2008 report commissioned by the World Bank to assess the challenges confronting businesses in Nigeria a wide array of issues were identified as constraints to doing business[2008 World Bank Doing Business report]. These include poor electricity supply, inadequate access to finance, poor transportation, unfriendly tax regime, poor access to land, high cost of finance, crime rate, corruption, political environment, customs and trade regulations, inadequately trained workforce and labour regulations. The report identified three issues as being the most critical impediment to doing business, power, transportation, and access to finance.

Figure 7

Corruption Perception Index

Country	Ranking
New Zealand	1
Denmark	2
Singapore	3
Israel	32
South Africa	55
Malaysia	56
Tunisia	65
Brazil	75
Malawi	89
Liberia	97
Gabon	106
Algeria	111
Egypt	111
Nigeria	130
Cameroun	146
Myanmar	178
Afghanistan	179
Somalia	180

In the 2009 Corruption Perception Index published by Transparency International, a global anti-corruption watchdog, Nigeria scored 130 out of the 180 countries surveyed, dropping nine places compared to one year ago. Nigeria also ranked 10th out of the 16 West African countries, 27th out of the 47 nations surveyed in sub-Saharan Africa, and 33rd out of the 53 countries in Africa. Botswana emerged first in both sub-Saharan Africa and the continent as a whole with a global ranking of 37 and a score of 5.6, while Cape Verde was ranked the best perceived corruption-free nation in West Africa with a score of 5.1 and a global ranking of 46. Ghana came second in the region, with a score of 3.9, a global ranking of 69th, and 7th for sub-Saharan African and Africa as a whole.

Corruption in politics; the law enforcement system, including both the police and the judicial system; taxes; and procurement specifically affects entrepreneurs. Corruption in these areas creates supply and demand distortions, favouring those entrepreneurs who have connections in the public administration, and creates disincentives to invest in human capital. The effect of corruption on entrepreneurship is even more insidious as corruption that develops to circumvent regulation and the high transaction costs that inevitably accompany it serve as taxes on entrepreneurs and SMEs, and disproportionately impact them more than larger firms.

2.3 Entrepreneurship, Wealth Creation and Economic Development

For many developing countries, entrepreneurship has been a powerful engine of economic growth and wealth creation, and is crucial for improving the quality, number and variety of employment opportunities for the poor. It has several multiplier effects on the economy, spurs innovation, and fosters investment in people, which is a better source of competitive advantage than other natural resources, which can be depleted. Entrepreneurs create new enterprises, new commercial activities, and new economic sectors. They generate jobs for others; they produce goods and services for society; they introduce new technologies and improve or lower cost outputs; and they earn [Carree, M., and A. Roy Thurik (2002)] foreign exchange through export expansion or the substitution of imports.

Even if Schumpeter'sprognosis on the future of capitalism has turned out to be wrong, his logic on the importance ofwealth redistribution for the legitimacy of the capitalist system is still valid. Innovation by new,independent, firms is a mechanism for wealth redistribution. Although the distribution of wealthmay change as established firms 'destroy' competitors by means of innovation, this leads toincreased concentration of wealth since one large firm gains wealth at the expense of another.Only when innovation is accomplished by newly formed independent firms does wealth becomeredistributed.

The Global Entrepreneurship Monitor, a research program aimed at assessing the national level of entrepreneurial activity in selected countries, conducted an entrepreneurship and economic growth study on 48 countries in 2008 [Global Entrepreneurship Monitor, 2008]. According to the study, the economic growth of a country is directly correlated to its level of entrepreneurial activity. In particular, there is a high correlation between economic growth and entrepreneurial activity in industrialized countries.For instance, the American economy is well known for its flexibility, adaptability, and grasping of opportunity partly because of a prevalence of entrepreneurial culture in the United States. According to the report, Countries that are able to replenish the stock of businesses and jobs and have the capacity to accommodate volatility and turbulence in the entrepreneurial sector are best placed to compete effectively. Entrepreneurs therefore play a key role in addressing poverty through their contributions to wealth and job creation, economic advancement and social empowerment.

2.4 Government Policy and Entrepreneurship

The relationship between policy and entrepreneurial activity varies across countries. [Low, S. A., Henderson, J., &Weiler, S. (2005)] explore the relationships between entrepreneurship and economic development in low-income countries. In this context, they suggest that two policies are critical for promoting entrepreneurship in order to trigger wealth creation and economic growth. First, to arrest the [Global Entrepreneurship Monitor, 2008] diversion of entrepreneurial talent toward nonproductive activities, an increased emphasis on preserving rewards from productive innovation is needed through the protection of commercial freedom, property rights, and enforceable contracts. Second, given that essential local inputs are vulnerable to monopolization; fostering opportunities for grassroots entrepreneurship is paramount through an active supply-side competition policy emphasizing access to essential business services and other required local inputs.

The degree of development also has important implications for the growth strategy adopted. Studies suggest that the path to growth might vary between mature and emerging countries. In mature industrial economies, growth is driven by the process of technological advancements and knowledge accumulation brought about by R&D

efforts of firms. [Peretto, Pietro F. (1999)]. In emerging economies, growth is driven by the accumulation of human and physical capital and increasing specialization

2.5 Fostering Entrepreneurship for Wealth and Job Creation

2.5.1The Role of the Individual

Much has been written about the particular qualities and characteristic of the entrepreneur.

The crucial element in building a nation of entrepreneurs is to identify those circumstances that are conducive to turning a majority of the citizenry into productive entrepreneurs. For example, a well developed legal property system could foster entrepreneurship as Hernando de Soto, (2000), in his study of emerging economies across Asia, Africa, the Middle East, and Latin America, demonstrated that untitled assets that could not be used as capital was a primary barrier to the kind of entrepreneurship that leads to capital accumulation and wealth creation. He demonstrated that emerging economies already have a strong saving culture and already have the assets needed to launch them into economic prosperity. With a legal property system, the variable group of potential productive entrepreneurs could cooperate imaginatively in creating new uses for the assets they already have. To unleash the innovative potential in people and assets that they already possess, Hernando de Soto recommends the implementation of measures that will ensure that the legal framework provides the infrastructure to ensure the fluid transmission of marketable titles. This is equally an indication that in many instances, the removal of barriers in the system often does more to foster entrepreneurship than the creation of incentives. [De Soto, H. 2000]. De Soto's distinction between the entrepreneurs and the sole-proprietors is particularly apt for the situation in Nigeria. He notes that the main difference between these two categories is the contrasting psychologies of the founder-owners, their attitudes towards trading, and their orientation to capital accumulation. The entrepreneur is committed to wealth creation, capital accumulation and to business growth and is willing to forgo direct consumption in order to expand the scale of her/his entrepreneurial activities. The proprietor on the other hand, is more likely to consume and utilize economic surpluses in order to maintain a certain standard of living or lifestyle rather than reinvest available funds into the business.

2.5.2 The Role of MSMEs

In emerging economies, more than 90% of all firms outside the agricultural sector are small and micro enterprises, generating a significant portion of GDP. For example, in Morocco, 93% of industrial firms are SMEs and account for 38% of production, 33% of investment, 30% of exports and 46% of employment. In Bangladesh, enterprises of less than 100 employees account for 99% of firms and 58% of employment. Similarly, in Ecuador, 99% of all private companies have less than 50 employees and account for 55% of employment. Not all these SMEs and micro enterprises are in the formal sector; some occupy the unofficial labor market, which varies in size from an estimated 4%-6% in developed countries to over 50% in developing nations [UN ECA, 2001]. Evidence shows that customs duties and tariffs discriminate against local producers. This substantially increases the production cost of companies that require highly taxed imported inputs, therefore limiting their competitiveness. Nigeria has taken steps to address some of the challenges faced by SMEs as the UN ECA study notes that the Nigerian government has formulated special policy measures and programs to encourage the development of SMEs including the enactment of favorable laws and regulations on contracts, leasing, and corporate tax, as well as fiscal and export incentives for SMEs.

One of the main barriers to the development of small enterprises and consequently entrepreneurship in Nigeria relates to access to finance. Some of the more common challenges for the small business include over-dependence on overdrafts rather than fixed-term loans, the inability to obtain loans at reasonable interest rates, over reliance on debt over equity, and difficulties in obtaining equity. In Sub-Saharan Africa, including Nigeria only 1 in 5 households have access to financial services.

2.5.3 The Role of Government

Many governments view the entrepreneur as the solution to weak economic performance and job creation. What remains a challenge though is a better understanding of the factors that determine entrepreneurship and the environment that motivates and supports the growth of entrepreneurs. Knowledge of the primary catalyst for entrepreneurship is essential for understanding the microeconomic foundations that will lead to growth in emerging economies.

Evidence shows that the key drivers of long-term growth in emerging economies are investment and productivity improvements. This has in turn fuelled interest in both developed and developing countries on how government policies and other national business environment factors could be marshalled to influence the rates and types of entrepreneurship. In emerging economies, the private sector is pivotal to economic growth serving as the principal source of investment with individual savings substantially outstripping foreign investment in relation to capital availability. While the relationship between individual savings and growth can be difficult to disentangle, there is nonetheless sufficient evidence to outline the powerful role that the access to capital plays in driving productivity.

A useful way of analyzing the role of government in entrepreneurship is to view government as the arbiter of background rules. This conception of government expands the scope of the concept of entrepreneurship and the role of the individual to emphasize the important role played by institutions (both formal and informal institutions) for providing the incentives for entrepreneurial activity. In the view of the classic scholar on entrepreneurship, while the total supply of entrepreneurs is relatively constant across societies, the productive contribution of entrepreneurial activity varies because of its allocations between desirable activities, such as innovation, and unproductive activities, such as rent seeking or organized crime. Thus, by setting in place the appropriate institutions, government policy can influence the allocation of entrepreneurship more effectively than it can influence its supply [Baumol, William J., 1990]. In this formulation, entrepreneurship is characteristic of human actions and there would always be entrepreneurs in every society. The institutional environment determines the formal and informal rules of the game, places constraints on human action, and, possibly, reduces uncertainty. Institutions and the policies that shape them are crucial in determining the behavior of entrepreneurs. A good case in point is the Tunisian textile industry. The sector is comprised of 2,000 firms, which employ 50 per cent of the active population in manufacturing, and provide over 50 per cent of export revenues. In order to prepare the industry for increased competition following the WTO agreement, the Tunisian government adopted several measures to support SMEs. They included substantial tax and financial advantages such as payment by the government of the employers contribution to social security. Formal administrative procedures were centralized in a one-stop shop at the Agency for the Promotion of Industry to reduce transaction costs. All administrative steps are now carried out in less than 48 hours. The favorable legal, financial and administrative system has not only benefited Tunisian SMEs, but also contributed to attracting foreign investors UN ECA, 2001]. It is in this context that the role of the government and its policy instruments to shape the institutional structures for entrepreneurial action take on a heightened significance.

3.0 Recommended Policy Measures to leverage on Entrepreneurship and MSMEs for Wealth and Job Creation

1. **Create an enabling environment for innovation and entrepreneurship.** The very nature of innovation means that entrepreneurs will either take advantage of existing gaps or forge into new territories. Either way, creating an enabling environment that lowers the barriers to market entry will certainly spur entrepreneurship. To achieve this objective, entrepreneurship should be integrated into the country's economic development efforts by: Making entrepreneurship part of the explicit mission of the country's economic development efforts;
Creating support mechanisms for entrepreneurs through the establishment of economic development programs that target entrepreneurs, and using entrepreneurial capital, and research networks to deliver services for entrepreneurs is paramount. By integrating entrepreneurship into the country's development efforts, government lends credibility and draws attention to the role of entrepreneurs allowing them to gather the momentum required to enable them actively participate in the transformation of the economy.
2. **Offer incentives that foster entrepreneurship**. Numerous examples indicate that access to reliable and steady sources of funding is essential to entrepreneurial growth and sustainability. By establishing a framework that encourages the funding of new ventures, government can help ensure that solutions that work will sustain

and grow their impact. To achieve this objective, government needs not only to invest in diverse sources of risk capital to fund entrepreneurs, but also to provide the fiscal incentives for investors to provide funding by: Developing a rich base of early-stage capital options to fund entrepreneurs; supporting and incentivizing angel investors; ensuring that risk capital is available to the wider society to broaden and enhance entrepreneurial capacity.

3. **Take successful approaches to scale.** Expanding the reach of a proven solution is often critical if the solution is to become truly transformative. Given the difficulties with recognizing, supporting the dissemination, or funding to scale, of successful initiatives, government can play a crucial role in expanding the reach of solutions that work byensuring that knowledge is produced with clear standards and with easily accessible data, building entrepreneurial readiness through offering entrepreneurship education in the curriculum and supporting faculty entrepreneurship in the higher education system.

4.**Narrow the information asymmetry between SMEs and financial institutions:** Access to up to date and reliable information is a key precursor to lending. Developing the information disclosure regime by adopting clear and simple accounting standards and establishing credit bureaus would go a long way to encouraging lending to SMEs.

5.**Fostering the development of innovative instruments and risk sharing arrangements:**

Some African countries are already experimenting with innovative financial instrument. For instance, warehouse-receipt financing is helping to guarantees loans with agricultural stocks in South Africa, Kenya and Zambia. Other financial instruments, such as leasing can reduce risk effectively for credit institutions. In addition to innovative financing mechanisms, innovative measures can also be put in place to share risk. Credit associations that reduce risk by sharing it are more common. They help financial institutions choose to whom to lend, by guaranteeing the technical viability of projects, and sometimes providing guarantees.

6.**Encourage big firms to support small enterprises:** Since large firms generally have greater access to finance, they can be encouraged to assist smaller enterprises, particularly their suppliers, access finance. They can also provide other factors of production or guarantee loans made by financial institutions to the SMEs they work with, given that they already have an established relationship with these firms. The large firms can also assist SMEs to obtain export credits, similar to the experience of Zambia's agro-food industry and in other countries that have developed such arrangements to address concerns.

7.**Foster the formation of SME networks:** Nigerian SMEs can learn from the experience of Asian SMEs who have formed clusters that enable member firms to seek finance together, provide collective guarantees, or even set up their own financial body. The relationships formed often make it easier for these networked firms to get loans and lower rates of interest. Working together also means firms can get supplier credit and can borrow from each other. Trade associations such as the African Venture Capital Association can play a crucial role in fostering the development of SME networks in Nigeria.

8.**Strengthening financial institutions support for SMEs:** In Nigeria, like in many other African countries, there is a chasm between the role of micro credit institutions and that of larger financial institutions. In addition to strengthening financial institutions, a viable strategy would also be to expand the scope of micro credit institutions to offer services to small businesses. Many of these institutions have limited funding and since they often rely on deposits that are short term in nature, there are asset and liability matching constraints for them to convert their deposits into longer term loans.

4.0 Moving Forward

If, as researchers suggest, the future of Nigeria and its regional economies lies in the encouragement of entrepreneurship, it becomes imperative to understand the relationship between investments in wealth and the encouragement of a region's entrepreneurial potential. While past research has created a starting point for this understanding, additional research is needed to clearly articulate for practitioners and policy makers the relationships between multiple forms of wealth and entrepreneurship. We have shown above that the entrepreneur, as a new, independent firm, has a significantrole to play in job and wealth creation. It is for this reason that wemaintain a distinction between the entrepreneurial innovation of a small or start-up firm, and the innovative activities of existing, especially dominant, players in the market. It may seem odd thatthe vitality of the economy is maintained through the decline of large firms, but the continualbirths of new firms usually more than make up for the lost jobs (Birch, 1987) as well asproviding the new blood that keeps the economy going.

On the other hand, further study of the connection between entrepreneurship and improved livelihoods for rural people will require a better understanding of how wealth can help to move necessity entrepreneurs onto a pathway toward growth, how wealth can be used to maximize livelihood impacts, and how wealth can be captured in rural regions for the benefit of rural residents. The research questions offered here may stimulate further thinking and exploration by researchers, practitioners, and policy makers concerned about the future of rural economies in Nigeria.

5.0 Conclusion

Wealth and job creation generated by entrepreneurs is the core engine of a virtuous cycle that develops an economy. Successful entrepreneurs, through their breakthrough technologies and rapidly growing businesses, create new wealth that can generate even greater economic growth.

Effective entrepreneurial development can set in motion a wave of impacts in communities and regions that go beyond the wealth created by individual entrepreneurs and their enterprises. Successful entrepreneurs create returns for their investors, often family and friends located in their rural regions. While the broad-based research to document and better understand the role that entrepreneurs play in local wealth creation is lacking, there is ample anecdotal information of the potential for local entrepreneurs to give back in multiple ways to the rural communities that have supported them.

The policy environment needs to be one that will foster the growth of entrepreneurs. The burden is on policy makers to understand the key factors that help entrepreneurs to thrive. Some of the issues that require close attention include addressing infrastructure constraints, the disproportionate regulatory burden that entrepreneurs have to carry, enhancing access to finance and the overall health of the capital markets, the financial incentives for entrepreneurs, and the protection of intellectual property. A thorough analysis of the unique challenges that entrepreneurs face Nigeria is critical and should be complemented by a time bound action plan for each of the stakeholders that can foster entrepreneurship. Entrepreneurship leverages the human capital that Nigeria is endowed with and empowers more people to participate in unleashing Nigeria's potential.

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