

Entrepreneurship Development from Colonial to Post-colonial Independent Nigeria: The Challenges and Prospects

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Abstract

Entrepreneurship development refers to a process of enhancing the skills and knowledge of entrepreneurs regarding the development, management and organization of a business venture while keeping in mind the risks associated with it. This paper examines entrepreneurship development in colonial and post-independent Nigeria, with regards to its challenges and prospects. The work also looked into some government efforts and programmes that are supporting Entrepreneurship development. Entrepreneurial activity has been a catalyst that drives economic growth, development and job creation. Over the past few decades, national and sub-national government world-wide have increasingly focused on engaging more people in the market activities with an assumption that markets play a crucial role in attaining sustained increase in living standard.

Keywords: Entrepreneurship, Development, Entrepreneurs, Nigeria, Colonial, Post-Colonial.

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Introduction

Nigeria faces many challenges from the Colonial to Post-colonial era in the areas of democratization and political stability, socio-economic development, poverty alleviation, unemployment, eradication of corruption and globalization. The inability of the governments to meet the expectations of their people has reinforced the need for more emphasis on entrepreneurship in developing countries, Nigeria inclusive. The discovery of oil in many countries in Africa, especially Nigeria seems to have crippled the resourcefulness that Africans were known for, (Okoli, and Allahna, 2014). However, after independence, the federal government of Nigeria began the privatization and indigenization scheme to promote the businesses of Nigerians so as to allow for a more stable and independent economy.

Other economic policy programs have also been put in place to assist entrepreneurship in Nigeria. Such programs include Open Apprenticeship Scheme, Graduate Employment Programs, etc. This gears the economy towards a self-reliant stand. There are other policies that also make it easy for entrepreneurs to obtain needed funds. Such policies include Peoples Bank of Nigeria, Funds for Small-Scale Industries (FUSSI), co-operative societies etc.

Also in her efforts to ensure job opportunity and self reliance, the federal government of Nigeria through the ministry of education has made it compulsory for every student in the university to take a course in entrepreneurship before graduation. This is to free them from dependency on white collar job, to be self employed and self reliant after graduation. (<https://nigerianfinder.com/history-of-entrepreneurship-in-nigeria>).

Conceptual Analysis

Entrepreneurship

The term entrepreneurship has been defined in different ways by different authors writing on the topic. Alaezi(2009), defines entrepreneurship along these dimensions: innovativeness and risk-taking with each dimension occurring in different degree and determining the level of failure or success of the entrepreneur. However, there is a general acceptance of what entrepreneurship is. Aluco, Odugbesan, Gbadamosi and Osuagwu (2004)succinctly put it that “entrepreneurship is an aspect of the complex management processes involved in the

operation and running of a company. It can be seen as management decision-making under situations of great uncertainty of results or outcomes. It applies to both large and small organization in dynamic and complex business environments. “As Aluco, et al., (2004) noted, entrepreneurship practices exists in most countries of the world, including Nigeria. In the United States of America, for example entrepreneurial business practices have created the personal computer, biotechnology, fast foods and overnight package delivery services. They have also transformed the retailing business and invented microprocessors among other things. In Nigeria; entrepreneurial practices exist in both the government and private sectors. They have started companies, registered new companies, raised capital for new businesses; create new products, services and jobs. No economy survives, grows, or develops without entrepreneurship (which involves the conceptualization, birth, growth and development of new concerns or enterprises); there would be no serious business in any economy. The total process of economic change in Nigeria is a function of the entrepreneur. However, in Nigeria, there are many challenges facing the development of entrepreneurship development since the post-colonial era and especially in the 21st century.

Understanding Development

When we consider the topic of **development**, it is important to realize that all conceptions of development necessarily reflect a particular set of social and political values (Thomas, 2001). Thomas noted that, “Since the end of the Second World War, the dominant understanding, favored by the majority of governments and multilateral agencies has seen developments as synonymous within the context of a free market international economy. Economic growth is identified as necessary for combating poverty, defined as the inability of people to meet their basic material needs through cash transactions”. According to him, “This is seen in the influential report of the World Bank, where countries are categorized according to whether they are low-income, upper middle-income or high-income countries. Those countries that have their lower national income per head of population are regarded as being less developed than those with higher incomes, and they are perceived as being in need of increased integration into the global market-place (Thomas, 2001).

To Okoli, (2017), development refers to the process of improving human lives and advancing societal progress. It is a multi dimensional dynamic process that involves reorganization and transformation of the societal system.

Entrepreneurship Development

Entrepreneurship development refers to a process of enhancing the skills and knowledge of entrepreneurs regarding the development, management and organization of a business venture while keeping in mind the risks associated with it. <http://leverageedu.com/blog/entrepreneurship-development/>

According to Adeoye, (2015), it cannot be overemphasized that entrepreneurship development is the appropriate programme to solve the problems of economic development, jobs have to be created by and for the people. Entrepreneurship is a valuable factor of production and should be seen distinctly and as valuable as any of the basic factors of production (land, labor and capital). Increasing the supply of entrepreneurs implies increasing the products they produce-enterprise. By innovative processes and products, entrepreneurs create jobs for themselves and others. Entrepreneurship development programme started in Nigeria in the late 1980s. When well-funded by the government, some of the entrepreneurship development programmes (EDPs) have had some measures of success. However, many problems militate against the development of small-scale industry/enterprise sector. This is discussed as problems of skilled manpower and technical know-how, finance and capital, marketing, administrative policies and support, corporate entrepreneurship, enabling environment, women or gender, and entrepreneurship (Ehis&Frank, 2013).

Entrepreneur

According to Beck, Black, Krieger, Naylor, and Shabaka (1999), an Entrepreneur is a person who organizes, manages and takes on the risks of a business. Aluko et al (2004) observed that an entrepreneur combines the factors of production (land, labour and capital) to create products, services and job opportunities. An entrepreneur can be a conceiver of a new business venture, or a manager who attempt to improve a company by effecting productive changes in the organization (Aluko et al.,2004),

The Challenges of Entrepreneurship Development in Post-colonial Nigeria:

a. The Challenges of Democracy and Political Stability.

Democracy is about issues, policies and national development. One of its essential ingredients is making allowance for a wide choice of issues, programmes and plans that will uplift humanity from the morals of poverty, deprivations and ignorance (Alabi, 2000). But political intolerance has been the all time bane of political development in Nigeria. This directly or indirectly affects entrepreneurship development in post-colonial Nigeria, as the constant political instability in the country discourages foreign investors (<https://nigerianfinder.com/history-of-entrepreneurship-in-nigeria/>).

b. The challenges of Economy

The colonial rulers brought in their wares and used Nigerians as their middlemen. After the colonial era, entrepreneurship was not encouraged due to the bad experiences of many entrepreneurs. According to Mbachu, (2009), the Nigerian economy is still grossly monoculture and dependent on external market forces. Nigeria is a potentially rich agricultural country that wallows in vortex of a monoculture economy (i.e., dependence on oil), and is crippled under the burden of debt servicing of foreign loans. Many industries operate below capacity as a result of high cost of raw materials and policy inconsistency of the government.

Attempts at diversification by various administrations have not been adequately realized. This has posed a great problem to the over-all development of the state, especially entrepreneurship development. Nigeria has the largest concentration of people of African extraction in the world, therefore, whatever happens in Nigeria will automatically have ripple effects on over half the population of African descent. Nigeria's oil and gas reserves and solid minerals wealth makes it even more significant in the calculus of global powers competing for economic hegemony and global dominance. To break out of the vicious circle of underdevelopment requires appropriate strategies, policies and policy actions that take into account global as well as internal factors (Mbachu, 2009).

c. The Challenges of Corruption

Nigeria is bedeviled by unprecedented level of widespread corruption, lack of accountability and transparency. This has led to lack of growth and development, resort to ethnic and other sub-national affinities, massive discontent with the government (Mbachu, 2009).

d. The Challenges of Capital

Nwuba, (2014) states that despite all the privileges, the economic condition in the country is still very unfavourable to the small business owners of high interest rate and the financial institutions' stringent requirement in securing loans which have squeezed entrepreneurs out of business.

e. The Challenge of Infrastructural Facilities

Infrastructural facilities like electricity, good roads, water supply, etc. are not put in place for the entrepreneurship ventures to grip upon for successful take off. This means that in the area of infrastructural facilities that government support is not easily available to entrepreneurs (Nwuba, 2014).

The Prospects of Entrepreneurship Development in Nigeria

The prosperity and progress of a nation depends on the quality of its people. If they are enterprising, ambitious and courageous enough to bear the risk, the community/society will develop quickly. Such people are identified as entrepreneurs and their character reflects entrepreneurship (Akiri, Onoja & Kunanzang, 2016). These are therefore the highlights of the prospects of entrepreneurship development in Nigeria;

- **Economic Growth:**

Entrepreneurial activity drives economic growth and job creation (Akiri, et al., 2016). Over the past few decades, national and sub-national government worldwide have increasingly focused on engaging more people in the market activities with an assumption that markets play a crucial role in attaining sustained increases in living standards (Akiri, et al., 2016). A growing degree of uncertainty in the world economy-evidenced by rising unemployment levels, stalled rate of job creation, and muted economic recovery – has renewed the focus on entrepreneurial activity as a means to generate economic growth.

However, Adeoye, A. (2015) pointed out that;

- a. Entrepreneurship plays a crucial role in the economic growth and development of any nation. In other words, there is a veritable link between entrepreneurship development and economic development.
- b. Nigeria business environment and prevailing government policies and programmes are quite unstable and turbulent to allow for any significant impact on entrepreneurship development
- c. Entrepreneurship can foster economic growth and development primarily by generating employment and foster the growth of micro, small and medium enterprises in Nigeria.
- d. A fundamental requirement to enhance the prospects of entrepreneurship development in Nigeria would be reviewing the national policy on education as well creating a clear national policy on entrepreneurship to re-orientate Nigerians.
- e. Wealth creation and poverty reduction are key benefits when entrepreneurship is taken seriously by the Nigerian government since unemployment will gradually be curbed.

- **Formal Education**

One of the major factors of entrepreneurship development in Nigeria is the value system brought about by formal education. Since independence, Nigerian government became more and more aware of the shortcomings and limitations of the colonial education heritage. Concerted efforts are being made to make education functional and a tool for national development. The history of entrepreneurship education in Nigeria according to Odia, (2011) started in the 1960s. This is seen from the various government programmes such as the Entrepreneurship Development Centre (EDC), Nigeria Industrial Development Bank (NIDB), National Directorate of Employment (NDE), National Open Apprenticeship Scheme (NOAS), etc. Education is a powerful force that can ensure the sustainability of any worthwhile ventures. And in Nigeria today, school curriculum at all levels is now developed with entrepreneurial mindset. This is with the aim that it will create self-reliance, employment, and economic growth and development. It is in response to the need for a more productive education that the 1969 curriculum conference was convened by the then National Education Research Council (NERC). Decisions at this conference led to the development of philosophy of education and consequently, the National Policy on Education of 1977, which was subsequently revised in 1981, 1998 and 2004. Okoli and Allahna (2014), believe that the emergence of the 6-3-3-4 system of education in Nigeria whose implementation started in

1982 brought about significant innovations in Nigerian Education system, but only in theory. At the tertiary level, Ifedili and Ofoegbu (2011) stated that in her efforts to ensure job opportunity and self-reliance, the federal government of Nigeria through the ministry of education has made it compulsory for every student in the university to take a course in entrepreneurship before graduation. This is to free them from dependency on white collar job, to be self employed and self-reliant after graduation.

International Relations

The field of **international relation (IR)** concerns the relationships among the world's governments. But these relationships cannot be understood in isolation. They are closely connected with other actors (such as international organizations, multinational corporations and individuals): with other social structures and processes (including economics, culture, and domestic politics): and with geographical and historical influences. These elements together power the central trend in IR and globalization today (Goldstein & Pevehouse, 2011). The Nigerian government through the Nigerian Export-Import Bank (NEXIM) has put in place a process that promotes export from Nigeria to other countries. This will help entrepreneurs who seek to do business in Europe or United States of America. Also with the Nigerian government increasing investments in modern technology, this will create a more conducive environment for businesses to thrive (<https://nigerianfinder.com/history-of-entrepreneurship-in-nigeria>).

Conclusion

There is a general acceptance of what entrepreneurship is innovativeness and risk-taking with each dimension occurring in different degree and determining the level of failure or success of the entrepreneur. An entrepreneur is a person who organizes, manages and takes on the risks of a business. He or she combines the factors of production (land, labour and capital) to create products, services and job opportunities. An entrepreneur can also be a conceiver of a new business venture, or a manager who attempt to improve a company by effecting productive changes in the organization. Therefore, the framework and policy for entrepreneurship with consistency is fundamental, and enabling infrastructural developments are prerequisite for any impactful entrepreneurship development. Wealth creation and poverty reduction are key benefits when entrepreneurship is taken seriously by the Nigerian

government since unemployment will gradually be curbed. There should be national policy on education as well creating a clear national policy on entrepreneurship to re-orientate Nigerians.

Recommendations

Here are some recommendations to overcome the challenges working against entrepreneurship development in Nigeria;

1. Entrepreneurship deserves equal emphasis as is being placed on science and technology; it is the entrepreneur that translates the innovation in science and technology into wealth. Thus, entrepreneurship should be recognized as an important factor of production just as land (raw materials), labor and capital (liquid and physical), since it is only the entrepreneur that can combine all the other factors to produce wealth.
2. Government should provide adequate infrastructural facilities, like good roads, water, electricity, improved transportation system for entrepreneurship development in the country.
3. There is need to enforce Nigerian patent laws to encourage many to commercialize their ideas and invention.
4. Government and non-governmental organizations should organize workshops and seminars for students and graduates to equip them with practical knowledge.
5. Government should organize trainings for teachers and students.
6. Arresting domestic economic weakness and strengthening economic diversification away from oil is another means of promoting entrepreneurship in the country.
7. Nigeria should use good neighbourliness to promote entrepreneurship.

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