

Entrepreneurship and Sustainable Development in Nigeria

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A b s t r a c t

The paper investigates how sustainable development can be achieved through promoting entrepreneurship in Nigeria. Development is the concern of all societies and nations, but the current trend on development world over is the search for sustainable development, which is shift from concern over immediate progress for the benefit of present generation to a more encompassing and everlasting social, educational, economic, political, and environmental transformation for the benefit of future generation. For the fact that the three fundamental pillars for sustainable development are economic, social and environmental protection, as well as skills, Triple Bottom Line (TBL) and Knowledge-Based Development (KBD) theories were used to explain the relevance of entrepreneurship on sustainable development in Nigeria. As an aspect of economic development strategies, entrepreneurship development is found helpful in economic empowerment and security and, by implication, economic growth in many nations. Thus, with the current economic challenges facing Nigeria in particular and many more oil rich nations, promoting entrepreneurship can help in reducing over-reliance on civil service sector and help many youths and women develop self-employment activities. The paper concluded that entrepreneurship can contribute in achieving sustainable development in Nigeria if government and other development agencies are committed to providing assistance to unemployed youths, because it is not only a matter of incorporating entrepreneurship training into higher school curriculum; it also requires financial aids and loans. In addition, the paper suggested that the entrepreneurship programmes can enhance sustainable development if it penetrates all sectors including agriculture, trade and commerce, Information and Communication Technology, arts, sports etc.

Keywords: *Development, Entrepreneurship, Nigeria, Sustainable development.*

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Background to the Study

The subject of entrepreneurship is attracting more intellectual devotion across academics in various areas. Enthusiastic advocates proposed a new field of entrepreneurship studies in the early 1970s. Since then, it has attracted a heterogeneous group of researchers and practice-oriented academics, generating great deal of vitality in the resulting debates, but also raising questions in some circles about its academic legitimacy (Aldrich, 2005). Not only in the discipline of Business Administration (Horisch, 2015), but also in Economics (Schumpeter, 1994; Zubova, 2012), Psychology (Mitchell, Agle & Wood, 1997) Gender Studies (Padmavathi, 2011; Ambepitiya, 2016), Education (Arogundade, 2011), agriculture (Millns, 2006; Phelan & Sharpley, 2011; Sharma, Karuppan chetty, & Aravazhy, 2012) and technology (Batra, 2012). Because of its multidisciplinary adaptability, Sociology considers entrepreneurial activity as important as the economic life of the society (Smelser & Swedberg, 2005). Thus, Sociologists began to demonstrate a substantial intellectual interest in the subject of entrepreneurship at the turn of the new millennium (Aldrich, 2005; Smelser & Swedberg, 2005; Hayes & Robinson, 2010; Ibrahim, 2011; Aldrich, 2005).

Although Aldrich (2005) observes that despite all published articles and books on the subject of the entrepreneurship, sociologists have played little role in the evolution of entrepreneurship, it is also true that the subject has been attracting the attention of those sociologists trained in organization theory, because they have taken up positions in business school, management and strategy. Nonetheless, Aldrich (2005) believes that entrepreneurship scholars today use many concepts first developed by sociologists, leading to a growing sociological presence within entrepreneurship studies. For example, entrepreneurship is at the heart of Schumpeter's (1994) treatment of economic change. He himself saw his theory of entrepreneurship as falling in economic theory, more precisely as an attempt to create a new and more dynamic type of economic theory. Nonetheless, many of his ideas on entrepreneurship are sociological in nature (Smelser & Swedberg, 2005).

From the foregoing, it is right to argue that entrepreneurship development is part of the interest of complex organization, social change and economic sociology. Besides, Sociology is concerned about the various agencies that generate social change. Thus, the central idea that entrepreneurship consists of an attempt to put together a new combination of already existing elements can be understood sociologically, just as the Schumpeter's (1994) idea that the main enemy of the entrepreneur is the people who resist innovations. Entrepreneurship gives birth to new commodities, techniques and goods, booting human progress forward and rendering the old obsolete, leading to the extinction of whole branches of industry and creation of new ones.

Most studies on entrepreneurship underscore its strong relationship with innovation. Innovation itself is strongly linked with knowledge, which along with intellectual capital is regarded as the propeller of modern knowledge-based economy (Batra, 2012). Perhaps, the most fascinating thing about entrepreneurship is its link with sustainable development. In relation to the link between entrepreneurship and knowledge-based development (KBD), the paper will also focus on the three fundamental pillars of sustainability: environment, human social welfare, and economic activities as the triple bottom line for development, which is now incorporated into the entrepreneurship activity. Thus the objective of the paper is to investigate how sustainable development can be achieved through promoting entrepreneurship, with particular focus on Nigeria.

However, the Nigerian government has been committed to promoting entrepreneurship culture among youths for many years through programmes, such as National Youths Service Corps (NYSC), National Directorate of Employment (NDE), National Poverty Eradication Program (NAPEP) and Subsidy Re-investment and Empowerment Program (SURE-P). These programmes have succeeded in empowering youths, but failed in some respect (Mukhtar, Mukhtar & Mukhtar, 2015). Among the failures of these programmes is that the requisite entrepreneurship skills that will help sustain their economic activities have not been adequately provided. Now that the government has introduced “N-Power”, there is the need for a constructive effort at equipping the youths with the entrepreneurship in the direction that the various sustainable development agenda could be realized in the country.

Conceptual Literature: Entrepreneurship; Sustainable Development

Entrepreneurship is defined variously. Classically, entrepreneurship can mean one of the following three activities:

- (a) finding new products or combinations in order to satisfy needs (to innovate); (b) organizing resources effectively (to create organizations); and (c) creating wealth by adding value to generate employment (Batra, 2012: 6).*

Enterprise creation, on the other hand, is a natural outcome of entrepreneurial activity. The working definition for the term “entrepreneurship” in this paper is “that activity which involves the ability to risk and utilize one's available capital, labour or energy and resources for investment, merchandise and creating new thing of value which could benefit the creator and society at large”. This working definition implies that entrepreneurship is beyond mere risk taking in business, which the traditional economic literature emphasized; instead it involves the skillful and proper management of the other factors of production as recognized by classical economic literature. Batra (2012: 6) also held similar view as he mentioned that “classically, economics recognizes three factors in production, namely, raw materials, labour & capital. Entrepreneurship is referred to as the fourth factor which organizes the other three factors”. The entrepreneurs are the persons who use innovative methods to restructure a value chain so as to reap entrepreneurial profit.

To understand the concept of “sustainable development”, it will be useful to define “development”. Development is a multifaceted and multidimensional concept, capturing structural, institutional, political, social and all round transformation process (Mukhtar, Mukhtar & Abdullahi, 2014). Sustainable development, on the other hand, is the development that involves provision for the social and economic needs of the present generation without risking the wellbeing of the future populations by systematic protection of the environment.

Sustainable development seeks to enhance a balanced development across social classes, gender, and age. It is because of the advocacy for balanced growth inherent in the sustainable development that current global movements for social and economic development have incorporated protection of natural resources into other economic issues, such as the allocation of investments and the process of technological development and organizational change are in harmony with each other for both current and future generations. These movements are therefore operating in line with the World Commission on Environment and Development of the United Nations' description and prescription of sustainable development (Berlund, 2005; Bhushan & Sanghvi, 2012). Consequently, the concept of sustainable entrepreneurship becomes a contemporary global diction.

Sustainable entrepreneurship is the entrepreneurial endeavour that takes into consideration the short, medium and long term assuring a continuity of life for all. It means the search for the common good. Sustainability – both environmental and social, means living a balanced life today, a healthy way of living in which no one lives at the expense of anyone else (Motomura, as cited in Bhushan & Sanghvi, 2012). Although critics might argue that entrepreneurship is more inclined to economic growth rather than overall development of a nation, such as Nigeria, yet, there can be no meaningful growth without development and development becomes an illusion without growth. In addition, the subsequent section on theoretical explanation will justify the argument of the paper that entrepreneurship development is not only a factor for economic growth but also a catalyst for overall sustainable development of Nigeria, comprising the economic, social and environmental sustainability.

Theoretical Underpinning

Development theories of economic growth have largely ignored the existence of entrepreneurship, but pressures resulting from global competition and corporate restructuring have prompted development scholar and professionals alike to focus more attention on entrepreneurship as an area of policy and practice (Robinson *et al.* as cited in Khan, Khan, Ahmed & Ali, 2012).

For the fact that the three fundamental pillars for sustainable development are economic, social and environmental protection in the quest for development, three pillars approach, otherwise known as Triple Bottom Line (TBL) theory will be used in order to explain the relevance of entrepreneurship on sustainable development in Nigeria. The term Triple Bottom Line was first introduced by Spreckley (as cited in Moshina, 2015) and articulated more fully by Elkington (1997). These components (environment, human social welfare, and economic activities) form the three pillars of sustainability which are interdependent and mutually reinforcing. According to Elkington, when corporations introduce TBL agenda they start to focus not only on the economic value that they add, but also on the environmental and social value that they either add or destroy (Elkington, 1997).

The idea of TBL approach to business gained wide recognition and support during the 1990s. As a result, many companies have adopted the principles of TBL for their operations, and the approach proved relevant in the successful operations of those companies. In the same vein, the theory can explain how entrepreneurship can serve as a catalyst for sustainable development in Nigeria. Considering the theory's claim of the interdependence of the three fundamental pillars of development, sustainable entrepreneurship can operate in this context.

In addition to the TBL approach, the knowledge-based development perspective can also be instrumental in explaining the relationship between entrepreneurship and sustainable development in Nigeria. This is because entrepreneurship activity involves the use of knowledge, experience, and creativity and/or innovation. In line with the above, Batra (2012: 2) stressed that, “the pre-eminence of knowledge as a key resource for economic and social development has been widely recognized. KBD as a discipline has emerged on the premise that knowledge-based processes are pre-requisite to sustainable development”. Two distinct knowledge-based development (KBD) perspectives, namely, 'transitional' and 'radical' have been cited. The transitional view considers knowledge as a resource suited to leverage economic growth and is focused on growth of the monetary base resource. The radical view considers knowledge as an instrument for balanced, equitable and sustainable development (Batra, 2012).

Knowledge-based approach is important in charting the way for achieving sustainable development through entrepreneurship activities. At the turn of 2010, for instance, the European Union (EU) has relinquished the “Lisbon Strategy”, (which was found to be a failure and unattainable) and embraced a ten year project, known as “Europe 2020” strategy. EU has implemented the new 10-year strategy (Teodorescu, Constantin, Nicolau, Ballo & Cosma,2012). There are three main priorities in the new EU targets for 2020:

1. Smart growth: developing an economy based on knowledge and innovation. Again, the role of knowledge is the most important;
2. Sustainable growth: promoting a more resource-efficient, greener and more competitive economy;
3. Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.

From the perspective of KBD, entrepreneurship, according to Acs & Audretsch (2005), is strongly connected with innovation; it plays an important role in bringing or spreading new ideas, by providing a mechanism for knowledge to spill over from the organization producing that knowledge, to the new organization that will commercialize that knowledge. For the purpose of this paper and the explanatory power of the two theories used above: KBD and TBL approach, the paper adopts the two theories as a theoretical framework for linking entrepreneurship with sustainable development and the use of knowledge for innovation and spread of business ideas for the good of all in Nigeria.

Entrepreneurship for Sustainable Development in Nigeria

There is a consensus that entrepreneurship is key to sustainable development and critical to poverty reduction, gender equality and environmental sustainability (United Nations, 2015). Entrepreneurship is a major force that drives the economy of many nations; it is also an engine which new ideas are introduced continually into businesses and the market place. Entrepreneurs convert ideas into products and services and ultimately create wealth and reduce unemployment (Schumpeter, as cited in Edobor, 2014). As observed by Acs & Audretsch (2005), entrepreneurs are the agents of change. They are so because the entrepreneurial firms are the forerunners of exploring the essential sources of new ideas; they also venture into experimentation for ascertaining the viability of such novel ideas in order to promote the economic activities of a nation, otherwise they would (the ideas) remain untapped in the economy.

Most studies on entrepreneurship underscore its strong relationship with Innovation. Entrepreneurship gives birth to new commodities, techniques and goods, booting human progress forward and rendering the old obsolete, leading to the extinction of whole branches of industry and creation of new ones. Entrepreneurship makes it possible to make new business where no previous industry or business existed (Batra, 2012). Thus, with the current economic challenges facing Nigeria in particular and many more oil rich nations, promoting entrepreneurship can help in reducing over-reliance on the civil service sector and help many youths and women develop self-employment activities.

Sustainable development cannot be achieved without environmental activism. That is why entrepreneurship also incorporates ecological movement and innovations that will combine agricultural sustainability and other business promotions in the manufacturing sector for economic growth which is devoid of environmental degradation. Numerous environmental

problems remain unsolved, such as climate change or resource scarcity, and many global social grievances, which hinder current generations in developing countries to meet their needs, persist, such as compulsory work (Horisch, 2015). Yet, Bhushan & Sanghvi (2012: 43) have noted that:

Globally, sustainable entrepreneurs are more aware of the negative effects of pollution, energy dependence, and climate change than ever before. These environmental challenges are opportunities for them which can be capitalised through innovative business solutions that benefit the environment, create jobs, and generate wealth...[the sustainable entrepreneurs] bear relevance to the developing world, primarily due to their role as the private sector in reducing poverty. This affects them because the growing public awareness of corporate governance and of environmental and social issues is driving changes in consumer behaviour, investments, and policy or regulatory adjustments.

Indeed, sustainable entrepreneurship is the best mode of combining high business impact with social impact of entrepreneurial moves and strategies (Bhushan & Sanghvi, 2012). Policy to support the development of small, micro enterprises is an important part of the democratic governments' strategy to create better life (Padmavathi, 2011). The 2005 World Summit on Social Development identified the following sustainable development goals: economic development, social development and environmental protection (United Nations General Assembly, 2005; Moshina, 2015). It can be seen that sustainability implies the dynamic balance between these three main components: environment, human social welfare, and economic activities. These components form three pillars of sustainability and are necessary for all nations to thrive. In this regard, Nigeria as a developing country is expected to promote the culture of environmental protection, promote economic activities through entrepreneurship skill development and empowerment programmes in order to enhance social welfare for the Nigeria's large and diverse population.

In Nigeria, the current economic strategy on green revolution is a very striking development that can help the country to achieve robust economic take-off, but the paper suggests that sustainable agriculture is needed to protect safety of the environment and the good of present and future generations. To do this, the country can design plans and policy like the National Mission for Sustainable Agriculture in India. This mission is meant to make agriculture more resilient to climate change by identifying new varieties of crops (example: thermally resistant crops) and alternative cropping patterns. This is to be supported by a comprehensive network of traditional knowledge, practical systems, information technology and biotechnology. It makes suggestions for safeguarding farmers from climate change like introducing new credit and insurance mechanisms and greater access to information (Bhushan & Sanghvi, 2012). Whilst the increased attention on farmers as entrepreneurs and on the necessary entrepreneurial and managerial skill set amongst diversified farm ventures is welcomed, the skills and characteristics relate only to farm diversification (Phelan & Sharpley, 2011). As a result, such skills have yet to be fully explored in the context of diversification to service-based farming in particular.

While entrepreneurship is considered as the activity of present and because of its role in sustainable development, in terms of environmental protection, social and economic developments' claim, the business of the future, there are multiple factors that are posing

challenges to the achievement of growth and development in developing countries like Nigeria. Among others, there is risk inherent in technology-based businesses, which deters entrepreneurs and incubation of potential ones. In addition, rural enterprises have less risk-taking ability and need high amount of management support. There is also limited availability of incubation professionals in entrepreneurship in Nigeria. These and many other factors reduce opportunities for potential entrepreneurs to emerge and the few available incubators to successfully find mentees that could eventually venture into various aspects of entrepreneurship in the country. Hence, the subsequent section will provide some policy recommendations for a successful entrepreneurship schemes in Nigeria and, by implication, sustainable development in Nigeria.

Policy Implications

Entrepreneurship activity is a risk-taking endeavour and it requires constructive and deliberate effort by the government and other donor agencies to come up with support programmes to the people with the aim to achieve economic development and promote environmental protection advocacy by incubating people in ecological entrepreneurship and agricultural entrepreneurship. This by implication will enhance sustainable development in Nigeria. In this regard, both self-employed people in the small and medium scale enterprise sector and the unemployed ones can benefit from the systematic effort. Entrepreneurship policies have a multifaceted nature and linkages with other areas, such as education and skills development, technology and innovation, finance and capacity-building.

To assist policymakers, United Nations Conference on Trade and Development (UNCTAD) developed the Entrepreneurship Policy Framework, which was launched during the thirteenth quadrennial conference of UNCTAD, held in Doha in 2012. Along with a growing recognition of the role of entrepreneurship in sustainable development, key trends include increased attention to a holistic approach to entrepreneurship policies and their implementation, the growth of women's entrepreneurship, and youth and social entrepreneurship. There is also an ongoing search for new and innovative forms of financing to facilitate access to finance for MSMEs (United Nations, 2015).

For the incubation of new entrepreneurs suggested above, there shall be some research and training institutes for the incubation and free or cheap consultancy services to those the people, especially in the rural areas of Nigeria. The host institutes can allocate and list the facilities and services available for enabling effective service to clients.

Gender issue is central to the growth of the economies of many countries is due to the increasing participation of women in entrepreneurial activities (Padmavathi, 2011), hence the importance of incorporating women into the sustainable entrepreneurship journey in Nigeria. To enable the indigent population obtain a business kick off, the non-governmental organizations, government and other potential donor agencies at international and local levels shall embark on interest-free and/or soft loans to the trainees with special security package. The security systems need to be flexible for private clients. Donors' capital investment has to be more flexible. The donors must not impose a particular service to the confirmed clients. Instead, they should allow them to request the facilities they need. Also, rental revenues need to sustain the incubator.

In addition, the paper suggested that the entrepreneurship programmes can enhance sustainable development if it penetrates all sectors including manufacturing industries, agriculture, trade and commerce, Information and Communication Technology, arts, tourism, travelling agencies, and sports etc. In other words, sustainable entrepreneurship in Nigeria needs to affect small, medium and large enterprises.

Conclusion

The paper examined the role of entrepreneurship in sustainable development. Using Nigeria as a reference state, the paper concluded that entrepreneurship can contribute in achieving sustainable development in Nigeria if government, private sector and other development agencies are committed to promoting the movements for environmental protection, economic empowerment, and social welfare in Nigeria. There should be a balanced growth across sectors and structures in the diverse Nigerian society. This will help reduce the problem of political and economic marginalization and social inequality in the country. This is why the concept of sustainable entrepreneurship is becoming a global expression.

The paper also enjoined the government and various development agencies to provide assistance to unemployed youths. It is not only a matter of incorporating entrepreneurship training into higher school curriculum; it requires financial aids and loans. The sustainable development drive in the form of entrepreneurship development in Nigeria should also take into cognizance place of women and youth in the sustainable entrepreneurship. Lastly, the entrepreneurship programmes can enhance sustainable development if it penetrates all sectors including manufacturing industries, agriculture, trade and commerce, Information and Communication Technology, tourism, arts, and sports etc. In other words, sustainable entrepreneurship should impinge on the business life of small, medium and large scale business enterprises.

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