

ISSUES AND CHALLENGES OF ENTREPRENEURSHIP RESEARCH IN NIGERIA



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CONTENTS

1. Introduction
2. Definitions and Different Approaches to Entrepreneurs and Entrepreneurship
3. The Domain of Entrepreneurship Research
 - 3.1. Historical Development of Entrepreneurship Research
4. Entrepreneurship Development in Nigeria
5. Issues and Challenges of Entrepreneurship Research in Nigeria

References

1. Introduction

Research comprises creative work undertaken on a systematic basis in order to increase the stock of knowledge including knowledge of humans, culture and society and the use of this stock of knowledge to devise new applications (OECD, 2002). Research is used to establish or confirm facts, re-affirm the results of previous work, solve new or existing problems, support theories or develop new theories. There are several forms of research depending on the subject to be explored, the theories to be examined or the situation to be analyzed. Thus the sphere of research today encompasses all areas of human endeavours.

The goal of the research process is to produce new knowledge or deepen understanding of a topic or issue. This process can take three basic forms namely: exploratory, constructive and empirical research. While exploratory research helps to identify and define a problem or question, constructive research tests theories and problem solutions to a problem or question. Empirical research on the other hand, tests the feasibility of a solution using empirical evidence.

There are two major types of empirical research namely quantitative research and qualitative research. The use of either forms of research is determined by the nature of the research topic and the research questions that the researcher aims to answer.

Quantitative research involves the systematic empirical investigation of quantitative properties and phenomenon and their relationships. The quantitative research designs are experimental, correlational or descriptive (survey) in nature (Creswell, 2008) and the statistics derived from quantitative research can be used to establish the existence of associative or casual relationships between variables. It is often linked to the philosophical and theoretical stance of positivism.

Quantitative research is concerned with testing hypotheses derived from theory and/or being able to estimate the size of a phenomenon of interest. The quantitative data collection methods rely on random sampling and structural data collection instruments that fit diverse experiences into predetermined response categories. These methods produce results that are easy to summarize, compare and generalize.

Qualitative research on the other hand, seeks to understand human behaviour and the reasons that govern such behaviour. It asks a broad question and collects data in the forms of words, images and any other medium that is necessary and analyzed in search of themes. This research form aims to investigate a question without attempts to quantifiably measure variables or look to potential relationship between them.

Qualitative research is viewed as more restrictive in testing hypotheses because it can be expensive and time consuming and typically limited to a single set of research subjects. It is also often used as a method of exploratory research and as a basis for later quantitative research hypotheses. Qualitative research is linked with the philosophical and theoretical stance of social constructionism.

In either qualitative or quantitative research, the researcher may collect primary or secondary data. Primary data is data collected specifically for the research, while secondary data is data that already exists, which can be re-used for the research. It is ethical research practice to use secondary data whenever possible (Kara, 2012). Currently mixed-method research i.e. research that includes qualitative and quantitative elements using primary and secondary data is becoming common and is encouraged for better research output (Kara, 2012).

The principal differences between the two paradigms of research are explained by Taylor and Bogdan (1998) in Table 1 below.

Table 1: The Difference between Quantitative and Qualitative Research

Subject	Quantitative Research	Qualitative Research
Assumption about the World	Assumes that there are social facts with an objective reality apart from the beliefs of individuals.	Posits that reality is socially constructed through individual or collective definitions of the situation.
Purpose	Aims to explain the causes of changes in social fact, primarily through objective measurement and quantitative analysis.	Concerned with understanding the social phenomenon from the actors' perspective.
Approach	Commonly employs experimental or correlational designs to reduce error and bias that prevent a clear perception of social facts.	Assist the reader in understanding the definition of the situation of those studied.

Source: Taylor and Bogdan (1998)

Entrepreneurship is about creating value and the future prosperity of society. Thus research in entrepreneurship is about understanding the premises underlying the activities that create value and the future. This perspective defines essentially the research question in entrepreneurship globally and within a local context. Hence research in entrepreneurship is basically empirical research, in which the researchers are passionate about their scholarly work in and are convinced of the applicability and value of their work to improve the practice of entrepreneurship within society.

However, various factors affect the practice of research in entrepreneurship. Three major factors can be identified. The first is multidimensional perspective in understanding the concept of entrepreneurship, the second are the researchers in entrepreneurship who often times are not graduates of entrepreneurship and the third factor is the various entrepreneurship theories that have evolved over time in the scholarly literature about the subject.

The classical and neo-classical theorists have labored in trying to define entrepreneurship, but there is no single definition of Entrepreneurship. Various definition of entrepreneurship has been given depending on the focus of the one defining it and from the perspective one looks at. Some researchers look at entrepreneurship from the economic viewpoint, others from the sociological and psychological perspective, while

other scholars define entrepreneurship from a management or social perspective. This makes entrepreneurship a multi-dimensional concept (Davidson, 2003 & Bula, 2012).

Empirical reality generally rubs off on scholars who research the field of entrepreneurship. In the process of conducting their research on the subject the scholars become so engrossed in their context and often become smitten with the enthusiasm of their research subject. This may be one of the reasons why the field apparently attracts newcomers in increasing numbers from many other fields. If we look at the background of most of the scholars who are today prominent in the field, few of these were actually graduates of entrepreneurship. This has given entrepreneurship its distinct multi- and trans-disciplinary characteristic.

It has also generated a field that has the methodological variation and scope needed to capture the dynamics and complexity of the empirical reality, a field that is also rich with insight from other research areas. However, this also means that there is no superior methodology *per se* for researching entrepreneurship – the methodological choice remains always to be decided in the light and context of the questions to be answered.

Historical perspectives have played a major role in the theoretical development of entrepreneurship since the development of the subject. However it was the classical and early neo classical theories in the 19th and 20th century that gave legitimacy to the notion of entrepreneurship research. But over time the historical and economic conceptualization of the entrepreneurial thoughts have led to new paradigms in the study of entrepreneurship as an economic and development tool for the advancement of society. This new paradigm has opened up the field of entrepreneurship to researchers from various disciplines and considerably broadens the subject within academic scholarship.

These three basic factors will form the concept and theoretical framework in examining the issues and current contemporary challenges in entrepreneurship research in Nigeria. The paper is divided into six sections; the first is the introduction and background, while the second section discusses the different approaches to the concept of entrepreneurship. Section three reviews the domain of entrepreneurship research and Section four discusses the issue of entrepreneurship development in Nigeria. Section five highlights the issues and challenges in entrepreneurship research in Nigeria, while section six concludes.

2. Definitions and Different Approaches to Entrepreneurs and Entrepreneurship

Entrepreneurship is a multi-faced phenomenon, which comprehends both the start-up of new companies (start-up entrepreneurship) as well as the carrying out of new strategic initiatives within existing business (corporate entrepreneurship).

According to Van Praag (1999), Richard Cantillon was the first economist to acknowledge the entrepreneur as a key economic factor (Cantillon, 1959). Cantillon saw the entrepreneur as responsible for all exchange and circulation in the economy. As opposed to wage workers and land owners who both receive a certain or fixed income/rent, the entrepreneur earns an uncertain profit (Hebert and Link, 1988). Cantillon's entrepreneur is an individual that equilibrate supply and demand in the economy and in this function bears risk or uncertainty.

Say (1767-1832) provided a different interpretation of the entrepreneurial task. He regarded the entrepreneur as a manager of a firm; an input in the production process. (Say, 2001). Say saw the entrepreneur as the main agent of production in the economy. Rather than emphasizing the risk-bearing role of the entrepreneur, Say stressed that the entrepreneur's principle quality is to have good judgment (Hebert & Link, 1988, p. 38).

Alfred Marshall also devoted attention to the entrepreneur. In addition to the risk bearing and management aspects emphasized by Cantillon and Say, Marshall introduced an innovating function of the entrepreneur by emphasizing that the entrepreneur continuously seeks opportunities to minimize costs (Marshall, 1964). An entrepreneur can fulfill different functions (Fiet, 1996).

Other researchers distinguish between the supply of financial capital, innovation, allocation of resources among alternative uses and decision-making as functions of an entrepreneur. They use the following definition of an entrepreneur which encompasses the various functions: "the entrepreneur is someone who specializes in taking responsibility for and making judgmental decisions that affect the location, form, and the use of goods, resources or institutions" (Hébert and Link, 1989; Wennekers and Thurik (1999).

Schumpeter defines entrepreneurship from the economics perspective by focusing on the perception of new economic opportunities and the subsequent introduction of new ideas in the market. Entrepreneurs identify opportunities, assemble required resources, implement a practical action plan, and harvest the reward in a timely, flexible way (Sahlman and Stevenson 1991). Those in the management world may apply Schumpeter's definition: entrepreneurship is a way of managing that involves pursuing opportunity without regard to the resources currently controlled.

Mill (1848) focused his definition of the entrepreneur on risk bearing as the differentiating factor between entrepreneurs and managers. For him the entrepreneur is one who undertakes to organize, manage and assume the risks of a business. He saw the entrepreneur as an innovator or developer who recognizes and seizes opportunities, converts those opportunities into workable/marketable ideas, adds value through time, effort, money or skills, assumes the risks of the competitive marketplace to implement these ideas, and realizes the rewards from these efforts.

The necessity of entrepreneurship for production was first formally recognized by Alfred Marshall in 1890. In his famous treatise "Principles of Economics", Marshall asserts that there are four factors of production: land, labor, capital, and organization. Organization is the coordinating factor, which brings the other factors together, and Marshall believed that entrepreneurship is the driving element behind organization. By creatively organizing, entrepreneurs create new commodities or improve "the plan of producing an old commodity" (Marshall, 1994). In order to do this, Marshall believed that entrepreneurs must have a thorough understanding about their industries, and they must be natural leaders. Additionally, Marshall's entrepreneurs must have the ability to foresee changes in supply and demand and be willing to act on such risky forecasts in the absence of complete information (Marshall, 1994).

Mises (1949) looks at entrepreneurship from the point of view of the particular outcome which the actor aims at. Action seeks to change the future. Entrepreneurship is the comparison of the forecasted future state of the world which the actor expects to occur in the absence of his specific action with the newly-made and previously-unnoticed or unforeseen forecasted future state of the world which the actor expects to result from his specific action, and the taking of the specific action by the entrepreneur to achieve his preferred future state of the world.

Entrepreneurship consists in the creation of a previously-unperceived opportunity for profit and the alertness to that previously untapped opportunity, and then the taking of action to achieve the opportunity. Mises solved the entrepreneurial task by introducing human action. Besides the agents' attempt to calculate economic problems, they are also alert to opportunities. Once an economic agent recognizes a market opportunity, he acts on it to improve his position. Opportunities are abundant in a situation of disequilibrium and there is the ability of human action to every economic agent.

Furthermore, Mises (1949) emphasizes the entrepreneurial spirit, human capital and venture capital as the entrepreneur's individual endowment which can be used to act towards establishing a business venture. The entrepreneurial component can be thought of as the residual of the agent's (entrepreneur's) individual endowment which withdraws itself from empirical measurability.

Theodor W. Schultz (1971) and Becker (1993) examined entrepreneurs and entrepreneurship from the human capital approach, and insist that the driving motive for entrepreneurship is expected material and financial reward as the prime motive for entrepreneurial activities. If an individual expects the returns of going entrepreneurial will be higher than being an employee, they will decide they will decide to become an entrepreneur.

For Schumpeter, the entrepreneur was an innovator par excellence and in his book "The Theory of Economic Development", he presented three typologies around the theory of entrepreneurship (Schumpeter, 1934; Gross, 2005). The first theory identifies the main type of entrepreneurial behaviour as introducing a new good, new method of production, opening a new market, conquering a new source of raw materials, and reorganizing an industry in a new way. The second theory deals with three forms of entrepreneurial motivation, the desire to found a private kingdom or dynasty, the will to win, to fight and conquer; and the joy and satisfaction that comes from creation and problem solving.

The third and final typology concerns the factors that inhibit the expression of entrepreneurial action. There is firstly, the nature of innovative task; because it is new, it will be more difficult to plan and understand than well established and customary activities. Second there is the inertia that "lies in the psyche of the individuals themselves: the human tendency to resist change from accustomed, routine and habitual ways of acting, even if a better alternative is available. Finally there is the fear of social sanctioning: the condemnation and disapproval heaped upon iconoclasts and deviants. To overcome these inhibitions, contends Schumpeter, an individual needs unusually strong will and great "personal weight".

In the 1960s, David McClelland developed his three factor theory of motivation. His research was built on Schumpeter and was based on how to train individuals to be more achievement oriented and entrepreneurial. Based on his research findings (McClelland, 1987) on cross – cultural competences and examined traits of successful entrepreneurs regardless of country and type of business; He reported three groups of competencies common to all entrepreneurs (Table 2). These are: the entrepreneurs seem more proactive; they show several characteristics of previously identified achievement motivation, and they show a commitment to others stressing the importance of customer satisfaction.

Gartner (1990) in his article “*What are we talking about when we talk about Entrepreneurship?*” attempted to lay the foundation to define entrepreneurship and also to discern what the body of knowledge believed constituted entrepreneurship at the time. Using a Delphi technique, Gartner segmented responses into the following attributes: Activities associated with becoming an owner – manager of a firm; Creation of a new Business; Innovative; Purchasing an existing business; Starting an innovative venture within an established organization; Creation of a non – profit business and Creation of a government organization.

Table 2: McClelland Cross Cultural Competencies

Proactivity	
1. Initiative	Does things before being asked or forced to, by events.
2. Assertiveness	Confronts problems with others directly. Tells others what they have to do.
Achievement Orientation	
3. Sees and acts on opportunities	Seizes unusual opportunities, obtains financing, land, work, space, or assistance.
4. Efficiency orientation	Looks for or finds ways to do things faster or at less cost.
5. Concern for high quality of work	States a desire to produce or sell a top or better quality product or service.
6. Systematic Planning	Breaks a large task down into subtasks, or sub goals, anticipates obstacles, and evaluates alternatives.
7. Monitoring	Develops or uses procedures to ensure that work is completed or that work meets standards of quality.
Commitment To Others	
8. Commitment to work contract	Makes a personal sacrifice or expends extraordinary effort to complete a job, pitches in with workers or works in their place to get the job done.
9. Recognizing the importance of business relationships	Acts to build rapport or friendly relationships with customers sees interpersonal relationships as a fundamental business resource, places long term goal over short-term gain.

Solomon and Winslow developed a working definition of entrepreneurs as “an innovative person who creates something unique with value(added) by devoting time and effort, assuming the financial, psychological and social risks in an action oriented perspective and receiving the resulting rewards (and punishments) of monetary and personal satisfaction” (Solomon and Winslow, 1988).

Babson College defines entrepreneurship as “a way of thinking and acting that is opportunity obsessed, holistic in approach and leadership balanced ... regardless of the resource currently available and acting on (the) opportunity for the purpose of wealth creation in the private, public and global sectors” (Solomon, 2008).

Since the time of Marshall, the concept of entrepreneurship has continued to undergo theoretical evolution. For example, whereas Marshall believed entrepreneurship was simply the driving force behind organization, many economists today, but certainly not all, believe that entrepreneurship is by itself the fourth factor of production that coordinates the other three (Arnold, 1996). Unfortunately, although many economists agree that entrepreneurship is necessary for economic growth, they continue to debate over the actual role that entrepreneurs play in generating economic growth. One school of thought on entrepreneurship suggests that the role of the entrepreneur is that of a risk-bearer in the face of uncertainty and imperfect information. Knight claims that an entrepreneur will be willing to bear the risk of a new venture if he believes that there is a significant chance for profit (Swoboda, 1983).

Although many current theories on entrepreneurship agree that there is an inherent component of risk, the risk-bearer theory alone cannot explain why some individuals become entrepreneurs while others do not. For example, following from Knight, Mises claims any person who bears the risk of losses or any type of uncertainty could be called an entrepreneur under this narrow-definition of the entrepreneur as the risk-bearer (Swoboda, 1983). Thus, in order to build a development model of entrepreneurship it is necessary to look at some of the other characteristics that help explain why some people are entrepreneurs; risk may be a factor, but it is not the only one.

Another modern school of thought claims that the role of the entrepreneur is that of an innovator; however, the definition of innovation is still widely debatable. Kirzner suggests that the process of innovation is actually that of spontaneous "undeliberate learning" (Kirzner, 1985). Thus, the necessary characteristic of the entrepreneur is alertness, and no intrinsic skills-other than that of recognizing opportunities-are necessary. Other economists in the innovation school side more with Mill and Marshall than with Kirzner; they claim that entrepreneurs have special skills that enable them to participate in the process of innovation.

Along this line, Leibenstein claims that the dominant, necessary characteristic of entrepreneurs is that they are gap-fillers: they have the ability to perceive where the market fails and to develop new goods or processes that the market demands but which are not currently being supplied. Thus, Leibenstein posits that entrepreneurs have the special ability to connect different markets and make up for market failures and deficiencies. Additionally, drawing from the early theories of Say and Cantillon, Leibenstein suggests that entrepreneurs have the ability to combine various inputs into new innovations in order to satisfy unfulfilled market demand (Leibenstein, 1995).

Although many economists accept the idea that entrepreneurs are innovators, it can be difficult to apply this theory of entrepreneurship to developing countries. Often in developing countries, entrepreneurs are not truly innovators in the traditional sense of the

word. For example, entrepreneurs in developing countries rarely produce brand new products; rather, they imitate the products and production processes that have been invented elsewhere in the world (typically in developed countries). This process, which occurs in developed countries as well, is called "creative imitation" (Drucker, 1985).

Creative imitation takes place when the imitators better understand how an innovation can be applied, used, or sold in their particular market niche (namely their own countries) than do the people who actually created or discovered the original innovation. Thus, the innovation process in developing countries is often that of imitating and adapting, instead of the traditional notion of new product or process discovery and development.

As the above discussion demonstrates, throughout the evolution of entrepreneurship theory, different scholars have posited different characteristics that they believe are common among most entrepreneurs. By combining the above disparate theories, a generalized set of entrepreneurship qualities can be developed. In general, entrepreneurs are risk-bearers, coordinators and organizers, gap-fillers, leaders, and innovators or creative imitators. Although this list of characteristics is by no means fully comprehensive, it can help explain why some people become entrepreneurs while others do not. Thus, by encouraging these qualities and abilities, governments can theoretically alter their country's supply of domestic entrepreneurship.

In summary, from Schumpeter till date, there is a dearth of definitions, characteristics, competencies and behaviors that many believe describe the entrepreneur and the concept of entrepreneurship. However taking an overview of the definitions, one can view entrepreneurship as a term used to describe the creation, innovation, risk taking and organizational process and functions of individuals who run and nurture business ventures.

Also, from the foregoing the common features and functions of entrepreneurs can be summarized as:

1. Recognition of business opportunities.
2. Initiating ideas and actions.
3. Using economic, managerial, social and technical mechanisms in converting, improving and organizing resources.
4. Innovation and creating something new and of value.
5. Risk taking and tolerance for failure.

3. The Domain of Entrepreneurship Research

According to the work of Carlsson et al, 2012, the domain of entrepreneurship research encompasses numerous activities (functions) carried out by individuals and/or organizations resulting in new business in either new or existing organizations ultimately yielding economic and/or social benefits in the form of economic growth and improved human welfare (Figure 1).

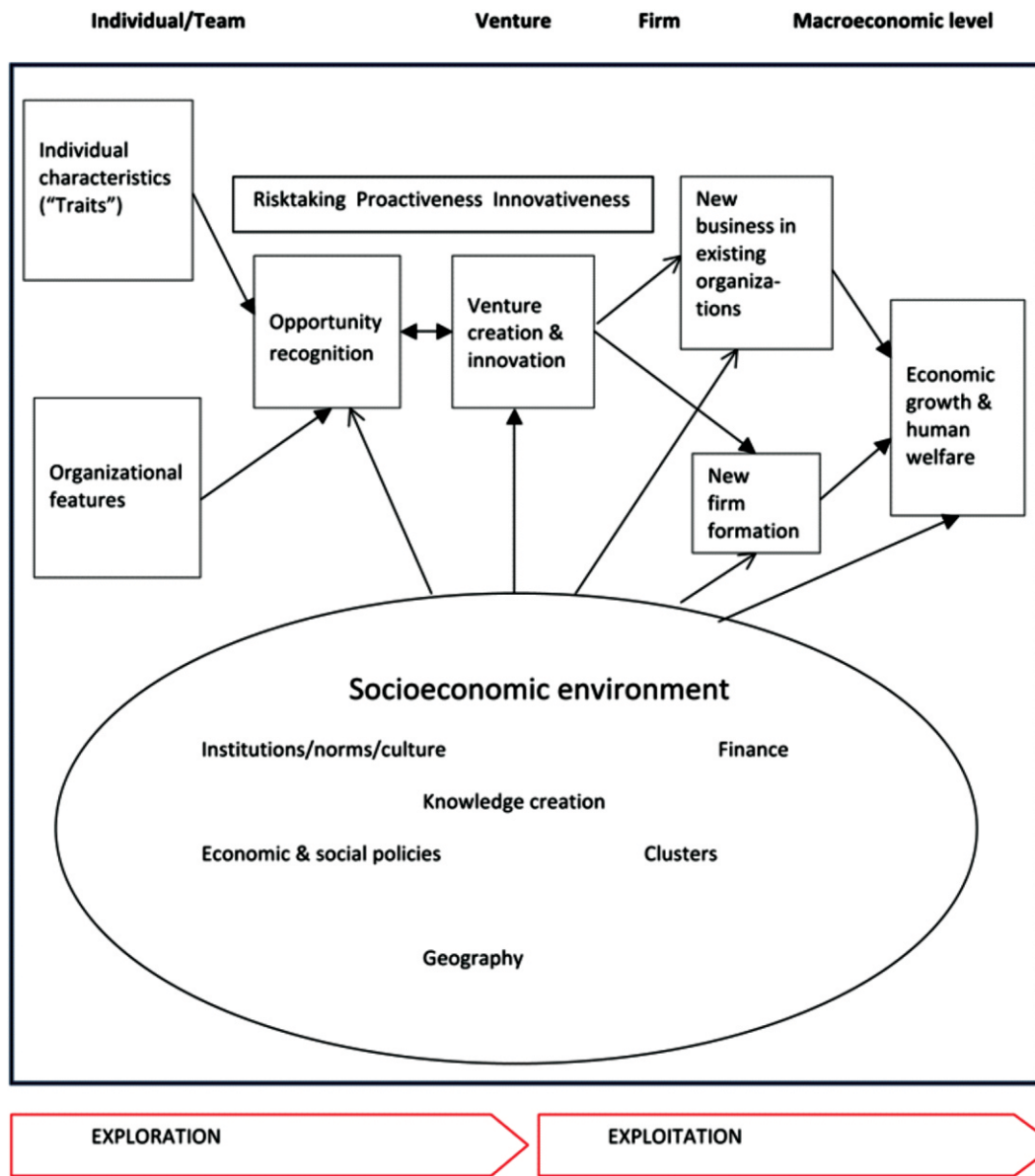


Figure 1: The Domain of Entrepreneurship Research

The activities involve risk-taking, proactiveness, and innovativeness. The analysis can be carried out at various levels (individual or team level, venture and firm level, and macroeconomic level). The socioeonomic environment consisting of institutions, norms, and culture as well as availability of finance, knowledge creation in the surrounding society, economic and social policies, the presence of industry clusters, and geographic parameters, may influence entrepreneurial activities at all levels.

The left side of Figure 1 represents the explorative side of entrepreneurship: the role and characteristics of individuals and teams (organizations). The result of these activities is opportunity recognition, innovation and venture creation. On the right side, venture creation can take the form of creation of new organizations or of new activities in existing organizations.

The aggregate outcomes in the form of economic growth and human welfare are represented on the far right side. All the activities and outcomes are influenced by one or more dimensions of the socioeconomic environment, including institutions/norms/culture, knowledge creation finance, economic and social policies, clusters, and geography. Moving to the middle of Figure 1 where explorative entrepreneurial activities lead to the creation of new firms and new activities in existing organizations, the focus shifts from the characteristics and behavior of the entrepreneur to the function of entrepreneurship.

The fact that entrepreneurship activities are viewed from multiple disciplinary perspectives and at various levels of analysis using a variety of methods, make it difficult to define the boundaries of the domain. Besides economics, there is a growing body of research in politics, the social sciences, engineering and other disciplines (Casson, 1982; Ac &Andretsch, 2003). Thus entrepreneurship can be seen as a subfield within several disciplines, each with its own perspective on the subject matter.

This has resulted in a lack of a common theoretical framework or central research paradigm. But the domain of entrepreneurship research may also be viewed as a system that interacts with other parts of the economic system as a whole.

3.1. Historical Development of Entrepreneurship Research

Entrepreneurship research is relatively new as an academic field but has a long tradition which dates back to the middle ages in Europe (Landstrom, 1999, 2000, 2005). Early research work on entrepreneurship was pioneered by Joseph Schumpeter, who viewed entrepreneurship from a purely personal or individual perspective; however this perspective gradually changed from entrepreneurship as the achievement of a single individual to innovative activities in existing organizations (Schumpeter, 1942).

The Second World War and the aftermath of the new economic order that brought the United States of America (USA) into world prominence drastically affected entrepreneurship research. It was a period marked by large scale manufacturing and investment in new technology, and production systems. This brought about large scale commercialization not of new firms but consolidation of existing firms. This situation led to a drastic reduction in entrepreneurial activities leading to a situation in which practice overtook theory of entrepreneurship (Carlsson et al, 2010).

During this period and considering the prevailing circumstances it was understandable that there was not much progress in entrepreneurship research which led to practice overtaking theory leading to entrepreneurship entering into the study of management before it penetrated into economic analysis.

The first course in entrepreneurship was offered at the Harvard Business School in 1947. Peter Drucker started a course in entrepreneurship and innovation at New York University in 1953. The first conference on small business and their problems was held at the University of St. Gallen in Switzerland in 1948. The National Council for small Business Management Development (renamed the International Council for Small Business ICSB, in 1977) held its first conference in 1956. The first academic conference on entrepreneurship research took place at Purdue University in 1970. The Entrepreneurship Division of the academy of Management was established in 1987; it grew out of an interest group on entrepreneurship formed in 1974. The Babson Research conference was started in 1981 (Cooper, 2003). Hence, there was much interest in entrepreneurship in practice, even if not a central idea in economic theory.

The 1980s and 1990s represented another shift in the focus of entrepreneurship research, because it coincided with several institutional reforms globally due principally to the two twin oil crisis of the 1970s. This global crisis triggered off a re – appraisal of the role of small firms. Many large companies were hit by severe economic difficulties and were seen as inflexible and slow to adjust to new market conditions (Carlsson et al, 1989a and b).

This led to a renewed interest in small firms during the period and this was due to two major factors. The first was the fundamental change in the world economy related to intensification of global competition, the resulting increase in uncertainty, and greater market fragmentation. The second factor was the changes in the characteristics of technological progress giving large firms less of an advantage (Carlsson, 1992).

This new interest in small firms and entrepreneurship research also led to the advent of new journals in the field including *the journal of small business* in 1975 (*renamed Entrepreneurship theory and Practice* in 1988); *journal of Business venturing* (1985); *small business economics* (1989), *small business strategy* (1990); *Family business review* (1988) (Cooper, 2003). The explosion in the number of entrepreneurship oriented journals in the 1980s and 1990s reflected the dramatic increase in entrepreneurial activity that took place at that time (Gartner & Shane, 1995; Carlsson et al, 2009). However it must be understood that during this period the distinction between entrepreneurship and small business was very blurred and the two terms were used interchangeable.

Also during this period, there was renewed interest and scholarly work on the personal characteristics ('traits') of entrepreneurs as well as the success and failure of individual entrepreneurs and firms, primarily as a result of researches based in psychology and sociology.

From the 1990s and 2000s upwards, research in entrepreneurship focused on new areas such as entrepreneurship theory, methodological issues, entrepreneurship opportunity recognition and information search, finance for entrepreneurs, entrepreneurial careers, types of entrepreneurs, environment for venture creation and development, venture growth and performance, organizational closure, internationalization, corporate ventures, family firms, technology based firms and franchising. (Westhead & Wright, 2000); Shane, 2002, Ac & Audretsch, 2003; Welsch, 2004; Audretsch, Falick, Heblick & Lederer, 2011).

Thus currently there seem to be two main views of entrepreneurship research, one view is that entrepreneurship research should focus on new enterprises and its role in furthering economic process – the exploitation side (Ac & Audretsch, 2003; Low and Macmillan, 1988). Another view is that the field of entrepreneurship should be concerned with the discovery and exploitation of entrepreneurship opportunities, the individuals involved, and the modes of action used to exploit the opportunities – the explorative side (Shane and Venkataraman, 2000; Ac et al, 2009).

These views are compatible in that they focus on the creation of new economic activity but at different levels of aggregation. The explorative side is more micro (firm) oriented, while the exploitation side looks more at the aggregate outcome (macro).

The field of entrepreneurship currently seems to be in the process of being refocused involving both broadening and narrowing down. The explorative side seems to be broadened away from the narrow focus on stable characteristics of individuals who start and run independent businesses. On the exploitative side it is increasingly being emphasized that study of small businesses, family firms, internal venturing etc. deal with entrepreneurship only if they explicitly address new ventures i.e. discovery and exploitation of opportunities in these organizational context (Davidsson et al, 2001).

4. Entrepreneurship Development in Nigeria

Entrepreneurship development (ED) refers to the process of enhancing entrepreneurial skills and knowledge through structured training and institution-building programmes. ED aims to enlarge the base of entrepreneurs in order to hasten the pace at which new ventures are created. This accelerates employment generation and economic development.

Entrepreneurship development focuses on the individual who wishes to start or expand a business. Small and medium enterprise (SME) development, on the other hand, focuses on developing the *enterprise*, whether or not it employs or is led by individuals who can be considered entrepreneurial.

Furthermore, entrepreneurship development concentrates more on growth potential and innovation than SME development does. There is a pervasive tendency to equate entrepreneurship development (ED) with self-employment. Many self-employed individuals are indeed entrepreneurs, but the majorities are not. Their businesses are simply microenterprises in the informal sector, with little growth potential.

The promotion of self-employment is a worthwhile objective, but it should not be confused with ED. Entrepreneurship development programmes that in reality focus only on self-employment are less likely to succeed in creating economic growth.

In Nigeria, Entrepreneurial forces are relatively strong, as the lack of jobs and a rise in poverty leave few other options for the Nigerian people. Thus Entrepreneurship activity in Nigeria is primarily based on necessity.

Although Entrepreneurship in Nigeria is difficult due to a lack of resources, there are organizations, groups and the academia that are actively involved in the promotion and teaching of entrepreneurship at all levels in the Nigerian educational system. Also government at both the national, state and local levels are actively involved in promoting entrepreneurial activities primarily as a measure to reduce rising unemployment and the inability to provide jobs in the public sector.

Entrepreneurship is conducive to economic growth and the creation of employment. And Government programmes and policies have a significant impact on the level of entrepreneurship within a country. While many governments profess support for entrepreneurial businesses, they often lack specific policies and coordinated programmes designed to support entrepreneurial activity.

In 2012, the Global entrepreneurship monitor (GEM) identified Nigeria as one of the most entrepreneurial countries in the world. The study showed that 35 out of every 100 Nigerians are engaged in some kind of entrepreneurial activity or the other. Countries with better records than Nigeria in sub – Saharan Africa are Malawi (36%), Uganda (36%), Ghana (37%) and Zambia (41%). This is shown in Table 3 below.

Also in 2012, according to the GEM report, Nigeria led the whole world in terms of the desire to explore available opportunities for starting a business and for possessing the self-confidence to start one. The survey shows that Nigerians have high perceptions about the presence of good opportunities for starting a business and also believe that they have the skills and knowledge necessary to start a business.

The study confirms that more Nigerians pursue entrepreneurial activity due to perceived opportunities than out of necessity. Nigeria also exhibited one of the lowest levels of fear of failure in the world indicating the readiness to start and run a business without fear of failure.

It is interesting to note that Nigerian youths are excited about entrepreneurship and entrepreneurial opportunities. About 82% of Nigerian youths perceive a good opportunity for starting a business while 86% believe that they have the skills and knowledge necessary to start a business.

Table 3: Entrepreneurial activities | Nigeria compared to other Countries

Countries	Perceived opportunities (%)	Perceived capabilities (%)	Fear of Failure (%)	Entrepreneurial Intentions (%)
Nigeria	82	88	21	44
Average for Sub Saharan Countries	70	76	24	53
Taiwan	39	26	38	25
Malaysia	36	31	36	13
Average for Asian Countries	30	32	41	17

Source: GEM (2012)

Furthermore, the rate of interest in Entrepreneurship may have to do with the level of economic development. Development economics contend that entrepreneurial activities decline with the stages of development. Based on this understand and using the World Economic Forum (WEF) Global Competitive Report, the GEM classifies economics as Factor – driven, efficiency driven or innovative driven.

This classification is based on GDP per capital and the share of exports comprising primary goods. Based on this classification, Nigeria is described as a factor – driven economy dominated by subsistence agriculture and extractive industries with heavy reliance on labour and natural resources with its attendance implications. It may therefore be that entrepreneurial activity is high because of the level of development.

This situation makes it imperative for government at all levels to embrace the development of an Entrepreneurship Policy Framework (EPF) to develop entrepreneurship and entrepreneurship research in Nigeria. The EPF has become important because the private sector development has become an important part of development policy.

The EPF developed by United Nations Conference on Trade and Development (UNCTAD) is, therefore, a timely contribution as it aims

1. To assist policymakers in identifying the key elements of an entrepreneurship policy and formulating actions.
2. It also provides policy options that will help developing countries and countries in transition to stimulate inclusive and sustainable growth

The framework recognizes that in designing entrepreneurship policy “one size does not fit all”. It highlights the key policy areas to take into account and suggests policy objectives and options in the form of recommended actions in each area. Although the national economic and social context and the specific development challenges faced by a country will largely determine the overall approach to entrepreneurship development.

UNCTAD has identified six priority areas for policy focus that have a direct impact on entrepreneurial activity. These are:

- (1) Formulating national entrepreneurship strategy;
- (2) Optimizing the regulatory environment;
- (3) Enhancing entrepreneurship education and skills;
- (4) Facilitating technology exchange and innovation;
- (5) Improving access to finance; and
- (6) Promoting awareness and networking (see figure 2)

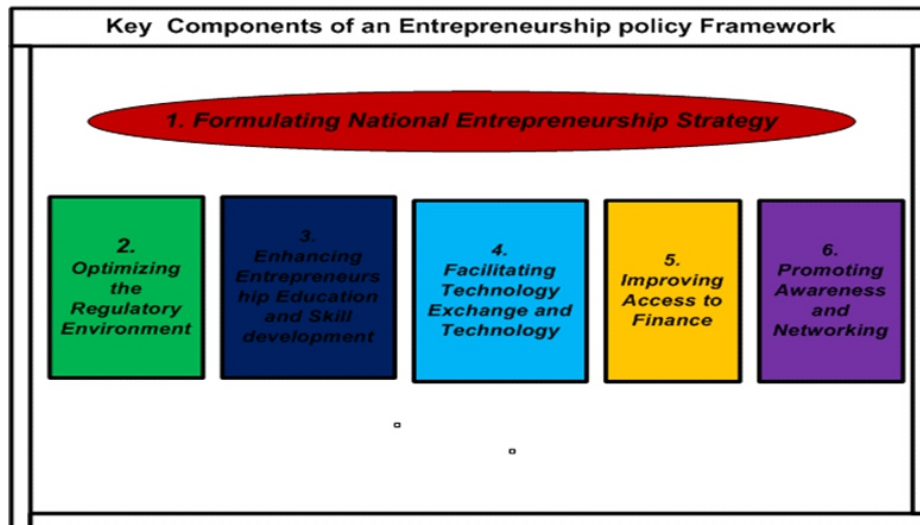


Figure 2: UNCTAD Key Entrepreneurship Policy Framework

The UNCTAD framework also highlighted and identified the following recommendations in developing an National Entrepreneurship Strategy (NES): These are:

1. Identify country – specific challenges.
2. Specify goals and set priorities.
3. Ensure coherence of entrepreneurship strategy with other national policies.
4. Strengthen the institutional framework
5. Measure results, ensure policy learning

5. Issues and Challenges of Entrepreneurship Research in Nigeria

From the foregoing it is obvious that entrepreneurship research in Nigeria must look inwards and do a thorough analysis of economic history in Nigeria if the fruits and outcome of our research efforts will make any impact in society.

Entrepreneurial researchers must be involved in result oriented research that will lead to setting out a proper agenda for developing a national strategy for entrepreneurship development in the country. This means academic research in entrepreneurship must move away from the current obsession with the issues of entrepreneurship education and do more in providing more evidence based parameters to assist persons who wish to be part of the exploitative and exploratory aspects of entrepreneurship.

Researchers in entrepreneurship must also come to terms with the fact that entrepreneurship has become an academic field of research with a global outlook and encompassing all other fields of knowledge.

Finally, research in entrepreneurship will further economic growth for the nation if its frontiers are taken out of its present pervasive state by providing concrete and concise information for policy makers and players in the economy.

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