

Youth Entrepreneurship in Nigeria: Challenges, Opportunities, and the Case for a Unified Coalition

¹Saaka, Daniel Ngutor, ²Owoeye, Elizabeth Oyinkansola,
³Odeyemi, Olusola Olatunbosun, ⁴Adegbite Isaac Adeeyo &
⁵Adekomi Aleem Babatunde

^{1,2,3,4&5}Federal Polytechnic Ayede, Oyo State

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Abstract

Nigeria's youth population, constituting nearly 60% of the nation's over 223 million people; represents a vast reservoir of entrepreneurial potential. Yet, despite this demographic advantage, young entrepreneurs continue to confront systemic barriers that constrain their ability to contribute meaningfully to economic development. This paper examines the contemporary challenges facing youth entrepreneurship in Nigeria, including age-based stereotypes, limited social capital, restricted access to finance, infrastructural deficits, regulatory inefficiencies, weak mentorship structures, and exclusion from policy processes. Drawing on empirical literature and case studies, the paper also identifies strategic opportunities across high-growth sectors such as agribusiness, agritech, fintech, the digital economy, creative industries, renewable energy, and social enterprise. Case studies of successful young entrepreneurs; such as Iyinoluwa Aboyeji, Oyindamola Honey Ogundeyi, Nasir Yammama, and Ada Osakwe - illustrate how innovation, adaptability, ethical leadership, and strategic partnerships can overcome structural constraints. Building on these insights, the paper argues for the establishment of a Coalition of Nigerian Youth Entrepreneurs (CNYE) as a unified institutional platform to strengthen advocacy, enhance capacity-building, expand market linkages, and improve access to finance. The proposed coalition aims to promote inclusive participation, foster transparency, leverage digital technologies, and drive coordinated policy engagement at multiple levels of governance. The paper concludes that unlocking Nigeria's youth entrepreneurial potential requires a collective, well-structured approach that integrates systemic reform, institutional support, and sustained collaboration. With such frameworks in place, youth entrepreneurship can transition from a survival strategy into a transformative engine for national development.

Keywords: Youth Entrepreneurship, Challenges, Opportunities, Unified Coalition, Nigeria

Corresponding Author: Saaka, Daniel Ngutor

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Background to the Study

Nigeria, with an estimated population exceeding 223 million, has a demographic profile in which approximately 60% are youth (World Bank, 2024). Despite their large numbers and potential, young Nigerians face steep obstacles in securing formal employment. Higher education institutions continue to produce graduates at a rate faster than the formal sector can absorb, exacerbating youth unemployment. In this context, entrepreneurship emerges not only as an alternative to formal wage employment but as a vital engine for innovation, economic sustainability, and community development.

Entrepreneurship can generate jobs, enable income diversification, and strengthen resilience (Okoye-Nebo, Iloanya, & Udunze, 2014). Yet, young entrepreneurs in Nigeria confront structural and systemic barriers, limited finance, inadequate mentorship, weak infrastructure, regulatory burdens, and the frequent exclusion of youth from policy formation. This paper examines those challenges in detail, outlines sectors and trends presenting opportunity, revisits case studies of successful youth entrepreneurs, and argues for the formation of a Coalition of Nigerian Youth Entrepreneurs (CNYE) as a strategic institutional vehicle to amplify youth-led enterprise and ensure sustainability. The paper closes with recommendations for actionable strategies to overcome barriers and harvest opportunities.

Contemporary Challenges Facing Nigerian Youth Entrepreneurs

In this section, major obstacles facing youth entrepreneurship in Nigeria are examined, drawing also from some empirical literature.

Ageism, Stereotypes, and Social Capital Deficits

Youth are often perceived as inexperienced or unreliable by investors, policymakers, and even within family networks, which undermines trust in their capacity to lead ventures. These stereotypes restrict access to finance, networks, and opportunities (Omeje et al., 2025). Social capital-networks, mentorship relationships, informal ties; plays a crucial role in entrepreneurship. Youth often lack access to strong networks that older entrepreneurs may have, which limits information flow, trust, endorsements, and access to markets.

Access to Finance and Capital

Although there are initiatives like the Nigeria Youth Investment Fund (NYIF) and various Central Bank of Nigeria credit facilities, empirical studies find that access remains highly constrained by bureaucratic inefficiencies, lack of collateral, high interest rates, favoritism, and opaque eligibility criteria (Ile & Nwaokwa, 2017). Youth entrepreneurs typically have lower savings and weaker credit histories, which renders them unattractive to formal lenders (ScienceNaija, 2024).

Regulatory, Infrastructural, and Institutional Barriers

Regulatory burdens: high incorporation and legal fees, complex licensing, inconsistent enforcement, and opaque regulatory frameworks that favour incumbents over startups or small firms (Madu & Okechi, 2017). Infrastructure deficits, unreliable electricity, poor roads, lack of storage, limited internet access; add to costs, reduce competitiveness, especially for

businesses needing cold chains, consistent power, or online presence (Ojochide & Oluwaseyi, 2024). Government institutional political will and capacity is weak: many entrepreneurship and youth programmes lack coordination, continuity, accountability, or alignment with local conditions.

Weak Mentorship, Business Ethics, and Education

Business education curricula are often theoretical, not practical; they fail to develop entrepreneurial mindsets, risk tolerance, or capacity for innovation (Ogunniyi, 2022). Mentorship programs, where they exist, are often ad hoc, limited in scope, or mismatched in terms of mentor skills, values, and experience (Amedu, Abbah, & Ahmed, 2024; Owhoeke, 2021). Some might even erode trust if mentors are perceived as seeking personal gain rather than genuinely supporting youth. Ethical challenges can emerge due to corruption, favoritism or misuse of funds in youth entrepreneurship schemes; this undermines confidence in youth-oriented programs.

Limited Access to Local and Global Markets

Even when youth entrepreneurs manage to produce goods or services, many encounter barriers to accessing larger domestic markets or exporting poor quality assurance, weak branding, uncertain supply chains, high transaction costs (NEPC, various reports; “Opportunities” literature). Under the African Continental Free Trade Area (AfCFTA), there is potential for market expansion, but many youth-led enterprises are not “export-ready” in terms of scale, quality, compliance, or marketing.

Policy Exclusion, Weak Governance, and Programme Design Issues

Youth voices are often underrepresented in policymaking bodies or consultations. Even when organisations nominally represent youth entrepreneurs, leadership tends to be older or not genuinely responsive to youth needs (Empirical Review, 2023). Programme fragmentation: multiple overlapping or duplicated youth entrepreneurship schemes exist but with weak coordination, lack of monitoring, and often without long-term strategy (Ile & Nwaokwa, 2017). These authors situated their case study on Taraba state to come up with the above stated findings; however, the issues are same with many other states in Nigeria. Lack of inclusive targeting: marginalized regions, women, rural youth or youth with disabilities are often excluded or poorly served (Empirical Review, 2023).

Emerging Opportunities and Sectors with High Youth Potential

Despite the above challenges, several sectors and trends present strong opportunities for youth entrepreneurs. Leveraging these will require strategic, coordinated action.

1. Agribusiness and Agritech

Nigeria possesses extensive arable land and a significant portion of the population is still rural. Value-chain innovations; mechanized farming, Agri processing, cold chains, digital extension services are growing. Platforms like Farm rowdy and Thrive Agric allow youth to take part in farming without owning land. Agritech that provides farmers information (weather, market pricing, input sourcing) presents both commercial and social value (Verdant AgriTech, case study below).

2. ICT, Fintech, and the Digital Economy

Internet penetration is increasing; mobile money, digital payments, blockchain, software services, and e-commerce are flourishing. Nigeria already has home-grown success stories (e.g., Paystack, Flutterwave). Digital transformation also allows for lower startup costs, remote work, global market access, and scalability (Ojochide & Oluwaseyi, 2024).

3. Creative and Cultural Industries

Nigeria's film, music, fashion industries have gained global recognition. By developing strong brands, leveraging social media, collaborating cross-border, local creatives can generate significant income and employment. The fashion e-commerce space, especially when local sourcing and design are involved, represents growing opportunity. There is rising global appetite for "African aesthetic" in fashion, music, art; niche export opportunities abound.

4. Green, Renewable, and Sustainable Energy

With unreliable national grids, off-grid and renewable solutions (solar, bioenergy, mini-grids) for households and businesses are in demand. Sustainable development agendas (global climate commitments, SDGs) and donor funding increasingly prioritize green entrepreneurship. Youth can lead in clean tech, energy efficiency, waste management, and sustainable agriculture.

5. Social Enterprise, Health, and Food Systems

There is growing recognition that business can address social problems—nutritional deficiencies, healthcare access, food value chains. Enterprises that combine profit with social mission can attract impact investors, grants, and community support.

Case Studies

Below are four contemporary success stories, each illustrating how youth entrepreneurship in Nigeria has overcome challenges, seized opportunities, and yield lessons for the wider ecosystem.

1. Iyinoluwa Aboyeji – Co-founder of Andela & Flutterwave

Aboyeji co-founded Andela, which trains African software developers and connects them to global tech firms, and later Flutterwave, a fintech startup simplifying online payments for African businesses. Flutterwave achieved "unicorn" status, valued over US\$1 billion. Aboyeji's leadership demonstrates the importance of visionary thinking, leveraging international partnerships, and solving concrete problems (payments, tech skills shortage). His success underscores that youth-led firms, properly resourced and networked, can scale globally.

2. Oyindamola Honey Ogundeyi – Founder of Fashpa Ogundeyi's venture in fashion e-commerce sources materials locally and designs for African consumers. She leveraged digital platforms and e-commerce models, navigating logistical and infrastructural constraints. Fashpa illustrates how creative industries combined with e-commerce can be viable even amid weak physical infrastructure, so long as solutions are adapted: reliable logistics, local materials, niche marketing.

3. Nasir Yammama – Founder of Verdant AgriTech

From Katsina State, Nasir Yammama established Verdant AgriTech, a social enterprise providing rural farmers with weather forecasts, market prices, and agronomic tips via mobile devices. Supported by international development funding (e.g., DFID), Verdant demonstrates how agritech can bridge knowledge gaps, reduce post-harvest losses and improve farmer incomes. It also shows the value of aligning with international donor priorities, combining social impact with commercial model.

4. Ada Osakwe – Founder of Nuli Foods

Having served in governmental advisory roles, Ada Osakwe founded Nuli Foods, a company that connects farmers to urban consumers by sourcing produce locally, focusing on healthy and sustainable food & beverages. She has been recognized globally (e.g. Young Global Leader). Nuli Foods exemplifies how youth entrepreneurs can leverage both policy insight that they have acquired and an understanding of supply chain linkages to build scalable, sustainable agribusiness.

Lessons from the Case Studies

From the above, some patterns emerge:

Vision & Problem-Orientation: These entrepreneurs address real gaps; payments infrastructure, healthy food, information poverty, trust in e-commerce.

Adaptability and local relevance: Sourcing locally, adjusting to infrastructure constraints (e.g. logistics, power) is key.

Strategic Partnerships and Funding: International development partners, investors, government schemes sometimes help, but success often depends on combining multiple sources of capital and support. **Branding, ethics, and trust:** These entrepreneurs build reputations of reliability, transparency, quality signals that matter to both customers and investors.

Building a Youth Entrepreneurial Coalition: A Strategic Imperative

Given the challenges and opportunities, forming a unified, well-structured Coalition of Nigerian Youth Entrepreneurs (CNYE) offers a promising institutional response. Such a coalition could pool resources, amplify voices, enable knowledge sharing, and improve access to finance and markets. Key features and strategies are:

1. Structure, Governance and Independence

The coalition must maintain independence from partisan political influence to preserve credibility and ensure equitable representation across regions, genders, and sectors.

Internal governance should be transparent—elected leadership, audited finances, term limits—so that members trust the system.

2. Inclusive Membership and Chapters

Federal presence: establish state and local chapters so that youth from rural, marginal, and urban areas can participate.

Diversity: ensure participation of women, disabled youth, rural youth, persons of minority backgrounds.

Sectoral representation: agritech, digital, creative industries, etc., so that sectoral challenges are addressed in tailored subcommittees.

3. Policy Engagement and Advocacy

Proactively engage government at all levels (local, state, federal) to influence laws and regulations that affect youth entrepreneurs: tax policy, business registration, regulation enforcement, export facilitation. Serve as a consultative body during design of youth entrepreneurship programmes to ensure inclusion and that programmes are responsive.

4. Mentorship, Capacity Building and Education

Organize structured mentorship programmes pairing youth with successful entrepreneurs (like those in case studies above) with skill sets including management, finance, marketing, export compliance, sustainable operations. Promote value-based business ethics, corporate governance, sustainability. Collaborate with tertiary institutions to strengthen curricula: include practical business skills, innovation labs, incubation centres.

5. Access to Finance and Market Linkages

Establish or negotiate access to seed funds, venture capital, grants specifically for youth firms; create microfinance vehicles with favorable terms (low interest, collateral flexibility). Facilitate partnerships with private sector, international development agencies, diaspora networks. Aid in export readiness: quality assurance, branding, packaging, meeting regulatory standards in destination markets.

6. Leverage Digital Technologies

Use digital platforms to share knowledge, mentor virtually, crowdsource funding, market products.

Promote digital literacy as core to entrepreneurship, for e-commerce, fintech, online marketing.

7. Monitoring, Evaluation, and Sustainable Programme Design

Ensure coalition activities and programmes have metrics, data collection and evaluation to measure impact: number of businesses started, jobs created, revenues, survival rate. Programmes should be designed for long-term sustainability—not just short-term bursts—so that capacity-building, finance, structure persist beyond individual project cycles.

Conclusion

Young people represent the future of Nigeria's economy. Their energy, innovation, and demographic weight offer enormous potential. However, realizing that potential requires overcoming entrenched structural, institutional, and cultural barriers. As this paper has shown, challenges around access to finance, mentorship, education, regulation, and market access are real and significant, but not insurmountable.

What is needed is an organized, strategic, and collective approach. A Coalition of Nigerian Youth Entrepreneurs (CNYE) could provide this glue; unifying voices, mobilizing resources, engaging in policy dialogue, building capacity, and opening markets. By bringing together youth entrepreneurs across sectors and regions, this coalition could help ensure that the entrepreneurial sector is not fragmented but rather robust, inclusive, and sustainable.

If youth entrepreneurship is to become more than a livelihood strategy, but a driver for national transformation, then structures must be put in place to amplify successes and address failures. The case studies of Aboyaji, Ogundeyi, Yammama, and Osakwe demonstrate both possibility and practice. Nigeria's youth are not waiting for miracles; they are creating them. The role of government, development institutions, and civil society is to support, not overshadow, this movement. With the right strategies, unified youth leadership, and systemic reform, entrepreneurship can become the bedrock of Nigeria's economic renewal.

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